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General Affairs Committee
October 09, 2008

[LR345]

The Committee on General Affairs met at 1:30 p.m. on Thursday, October 9, 2008, at the Horsemen's Park in Omaha, Nebraska. Senators present: Vickie McDonald, Chairperson; Russ Karpisek, Vice Chairperson; and Don Preister. Also present: John Synowiecki. Senators absent: Merton "Cap" Dierks; Annette Dubas; Philip Erdman; Mike Friend; and Ray Janssen. [LR345]

SENATOR McDONALD: Good afternoon. I think we'll get started here. We'll begin the hearing on LR345. I'm Senator Vickie McDonald. I represent the 41st Legislative District. Joining me today is Senator Karpisek from Wilber; Senator Preister from Omaha will be here shortly; Senator Synowiecki is also from Omaha. Also we have legal counsel, Laurie Lage, and the committee clerk, Matt Rathje. As you know, when the Legislature hears testimony on legislative resolutions, all testimony is neutral. There are no supporting or opposing positions to take, because there are no proposals on the table. If you plan on testifying, please pick up a sign-up sheet on the round table that's in front. Please fill it out, bring it to the testifiers table as you come forward and give it to Matt, our committee clerk. When you testify, please tell us who you are, spell your first and last name, and tell us who you're representing. If you have handouts, please make sure that you have at least ten copies for the committee. Please turn off any cell phones, pagers or anything else that makes noise. Please keep your conversations to a minimum and if not, please remove yourself from the area. With that, I will turn the chair over to Senator Karpisek, who is the vice chair of the committee, while I open on LR345. [LR345]

SENATOR KARPISEK: Thank you, Senator McDonald. [LR345]

SENATOR McDONALD: Thank you. I'm Senator Vickie McDonald representing the Legislative District #41 and I chair the General Affairs Committee. Today is the final hearing that will be held on LR345. As you know, I introduced the interim hearing study

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to give the committee an opportunity to hear about the state of horse racing in Nebraska from those involved in the industry. I believe going to Grand Island and now Omaha, in addition to Lincoln, has been beneficial for the committee because we get the chance to hear from individuals involved in the industry who wouldn't normally have the time to attend a hearing in Lincoln. We have been hearing in recent years that horse racing in Nebraska is in trouble. We have been hearing that the industry cannot compete with other forms in gaming and that are readily available in Nebraska. We have also heard as a result of these hearings that the tracks employ dedicated, hardworking individuals whose livelihoods depend on continued horse racing in Nebraska. We have heard that some have had to leave the state to run their businesses where horse racing thrives more than in Nebraska. We have heard that if horse racing has to end, the economy consequences would be harsh for many small communities in which businesses either directly or indirectly depend on the industry. It is important that we understand, and one has been the focus of these hearings is, that in Nebraska horse racing is more than about gaming. I think it is important to take a look at the big picture of what horse racing has meant to the state, not only as a key part of Nebraska's history, but to the agricultural and business interests in our communities. The moving of the state fair to Grand Island has made the discussion of this topic even more well-timed. As you know, horse racing at State Fair Park will end along with the transition of State Fair Park to the University's research park. It is obvious, based on what we have heard, that losing racing at State Fair Park will have a significant impact on the industry as a whole, and today we'll have the opportunity to discuss exactly what that means for Nebraska. As I did in the previous hearing, I've asked experts representing a variety of interests in horse racing to attend the hearing today to give us detailed information on the state of the industry from their unique viewpoints. To facilitate the most useful and efficient presentations, I have a list of those I have asked to be here today and would like to hear their testimony in this order. Greg Hosch, general manager of Horsemen's Park, will be our first presenter. Second, we'll have K. C. Belitz, president of the Columbus Chamber of Commerce and representing Ag Park in Columbus. Third, Lynne Schuller, executive director of HBPA, and Dr. Eric Thompson from the UNL will testify together. Fourth,

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Perry Compton, a jockey. Fifth, Ben Glass, a business owner. Sixth, Jack Van Berg, a Hall of Fame trainer. Number seven, David Anderson, a trainer. Number eight, Joe Koziol, a horse owner. Bob Wustrack, a former owner. Tressa O'Neill, an owner, and Julie Wood from Sunrise EquiTherapy. After those that I have asked to testify, we will take anyone from the audience that would like to come and present. Also Tom Page, executive secretary of the State Racing Commission is in attendance today. And I believe he is available to the committee for any questions or clarifications we might have. Tom testified at our first hearing and provided the committee with very thorough data on the regulatory side of the industry and did an excellent job presenting the material to us. As we move along in the hearing, I will remind you of who is next to speak. Of course, after we hear from those folks, we will take anyone interested in the topic of horse racing. This is certain to be a very informative hearing, so let's get started. Before I return to my chair I will ask if there are any questions. Thank you. [LR345]

SENATOR KARPISEK: Thank you, Senator McDonald. Are there any questions from the panel? If not, thank you. [LR345]

SENATOR McDONALD: Thanks. I see we have Senator Preister with us and I believe the Horsemen's Park is in your district. [LR345]

SENATOR PREISTER: It is. [LR345]

SENATOR McDONALD: So, welcome to be here. One thing I didn't mention is that I know this is a very emotional subject for a lot of people and normally during our hearings in Lincoln, as well as our resolutions, we refrain from any type of outbursts or emotional display. It just makes it easy for everyone to have an even keel when they have these hearings so. Our first presenter will be Greg Hosch, the general manager of Horsemen's Park. Welcome, Greg. [LR345]

GREG HOSCH: Thank you. Good afternoon, senators, my name is Greg Hosch,

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G-r-e-g H-o-s-c-h. I live at 6406 South 150th Street here in Omaha and I'm the general manager of Horsemen's Park. As general manager I'd like to welcome you to beautiful Horsemen's Park, the finest simulcast facility in the Midwest, and I'd also like to thank you for conducting these hearings for what's very important subject matter for myself and everybody else involved in racing so, we thank you for that. I began my career in racing in 1974 and I too, as you heard from some of the testifiers in Grand Island, I began on the backside in the barn area cleaning stalls as a groom. Since that time I've worked in every aspect of horse racing that there is. I've been a owner, a trainer, a jockey agent. I've worked on the starting gate. I eventually became a racing official. I managed... [LR345]

SENATOR McDONALD: I'm not sure if everyone can hear. Can you hear in the back? You can, okay. Very good. I'm sorry for interrupting you. [LR345]

GREG HOSCH: That's fine. I've managed the racetrack in South Sioux City, Atokad Downs. I moved on to State Fair Park, was the director of racing operations there, and now, here I am, general manager of Horsemen's Park and it's been quite a journey. Very rewarding horse racing has been for myself. I've been around for the good times in horse racing and I've been around for some of the bad. I can remember at Ak-Sar-Ben when an hour after the last race, we still couldn't get out of the parking lot. I was also at Ak-Sar-Ben in 1996, the saddest day in Nebraska horse racing history, when the decision was made not to open Ak-Sar-Ben and to close the doors for good. You know, it was at the critical crossroads in Nebraska racing history that Mr. Bob Lee, then president of the Nebraska HBPA, he had a vision. His vision was here at Horsemen's Park, was to build Horsemen's Park, not only to save the Omaha racing market but to supplement the purses and the bottom lines at the other tracks in the other cities in Nebraska. It turns out that Mr. Lee, in my eyes, was quite a visionary. In the short ten years that Horsemen's Park has been in existence, Horsemen's Park has directly contributed over \$14 million in purses, over \$5 million in revenues to the other tracks in Lincoln, Columbus, and Grand Island, over \$5 million in breeders awards money and

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over \$2 million in an owner-incentive program that rewarded the owners of thoroughbreds that raced exclusively in Nebraska. Additionally, in 2007 here at Horsemen's Park, we employed over 150 employees and we had a payroll in excess of two and a half million dollars. This year in 2008, Horsemen's Park has contributed over \$25,000 to countless charities and organizations throughout the metro, such fine organizations as HETRA, the Therapeutic Riding Academy, the Med Center for the transplant recipients families, UNO, Ralston schools, countless fund-raisers for churches and organizations, sponsorships for softball, baseball, football, hockey. So you can see how important Horsemen's Park has been not only to the Nebraska racing industry but also to the local economy. Now today, just like in 1996, we're once again at a very critical crossroads for horse racing what with the prospect of the state fair moving to Grand Island, the possibility of losing the Lincoln racing market, and we can't afford to lose those 37 days of live racing. You know, the prospect of that Nebraska horse park that was unveiled at the first hearing in Lincoln is very exciting for the horsemen. It offers not only hope for the future of racing and to keep the Lincoln racing market, we think it will create a great economic benefit for the city of Lincoln and the state of Nebraska. Together we need to find a way, find a solution, that works to make the Nebraska horse park a reality. You know, over the years, the Nebraska horsemen whenever asked for help, have always stepped up to the plate and did whatever they could do. In 2003 the Nebraska state fair came to the Nebraska horsemen and indicated that they probably couldn't make their payroll. So the Nebraska horsemen gave the state fair \$150,000 to keep their doors open and to make their payroll. Additionally, when the state fair was campaigning to get the funding from the lottery, it was the Nebraska horsemen once again that stepped up and gave them the funds to help them get that initiative passed. You know, the same thing, Fonner Park this year, they were the recipient of \$200,000 gift from the Nebraska horsemen and over the years the Nebraska horsemen have lent the racetrack in Columbus around \$300,000 and forgiven every one of those loans. You know, last week at the hearing in Grand Island, a gentleman testified that it wasn't horse racing that built Fonner Park. Well, I disagree with him. In the '60s, '70s and '80s Fonner Park would not be what it is without

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the revenue that they made off of horse racing during that time frame. Also during that same time frame, you know, the Knights of Ak-Sar-Ben donated countless ambulances, fire trucks, other items to small communities throughout the state. The money for those donations didn't come out of their pocket. It came from horse racing. The fruits of these guys labor, that's what created the funds for them to be able to donate that money. So now, here you got, you have the Nebraska horsemen before you asking for a little help, not for a handout out or a bailout, but for the tools to effectively compete in today's market, to level the playing field to allow them to compete. We cannot be competitive under the constraints that we operate under. I'm going to give you a couple of examples, Keno, and by the way it was the Nebraska horsemen that stepped up to help Keno get passed in this state, and at that time they were promised 2 percent of the revenue only to be taken to court once it passed and the 2 percent was ruled unconstitutional. Let's get back to Keno. They have over 600 locations in the state and the horse racing has five, so that would be advantage Keno. The lottery has 1200 locations, horse racing five. Again, advantage lottery. You talk about smoking. Here at Horsemen's Park we operate under a local smoking ban. Our neighbors to the east in Iowa, they passed a similar law only to exempt casino floors. So what do they do at Bluffs Run, they move the dozen slot machines up into the simulcast area. Now they have the clubhouse casino floor. So now it's advantage Council Bluffs. You know, it's not like we haven't tried to help ourselves. In the '90s Ak-Sar-Ben opened an OTB in Bennington. It was very successful. We were trying to take our product out to the people. Instead we got taken to court and that was ruled unconstitutional. Again, here at Horsemen's Park we started telephone account wagering which would allow somebody to, our customers to open an account, and if they couldn't make it to the track and their favorite horse was running, they could call in a wager. Again, the Attorney General took us to court. It was ruled unconstitutional. Under our current constitution we are not allowed to compete. You know another example of expansion is, if Keno wants to expand they just have to go to the city council. If I want to put Keno in here, they go to the city council, and the city council rubber stamps it and in goes Keno. If we want to expand, we got to build an entire racetrack. So Keno, they have to buy a computer and

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a TV, and we have to build an entire racetrack. Somehow that doesn't balance very good. Our forefathers, in all their infinite wisdom, when they enacted the pari-mutuel laws, decided to put everything in the constitution regarding the pari-mutuel laws. So for us to act any kind of change, it has to take a vote of the people. We're in the twenty-first century. We cannot continue to operate with laws that were written in the 1930s. So I guess, in closing I would ask you, senators, that if the horsemen bring something to you, some kind of a change or some kind of a solution, or something that looks like it might help horse racing, that you'll give it your closest scrutiny, your attention, you'll put it on the ballot and let the people vote. Thank you. [LR345]

SENATOR McDONALD: Thank you, Greg, for your presentation. Are there any questions for Greg? Seeing none, thank you. [LR345]

GREG HOSCH: Thank you. (Applause) [LR345]

SENATOR McDONALD: Please, I'm sorry. I ask that no applause or booing, of course, we don't have either one of those here. But if you're pleased, just kind of keep it to yourself, we understand, because that's just not the way we handle legislative hearings. Our next presenter is K. C. Belitz, president of the Chamber of Commerce in Columbus, and representing the Ag Park in Columbus. Welcome. [LR345]

K.C. BELITZ: (Exhibit 1) Thank you. Good afternoon, senators, and thank you for the opportunity to share a thought or two. I was asked by Bill Lusche, the general manager of Agricultural Park in Columbus, to share a couple of thoughts from the perspective of the business community and the community at large in the Columbus region regarding the impact that horse racing has on what we all experience day-to-day. The handout is just a couple of brief facts sharing some figures with you and I'll comment on those. But also, I think a couple of other... [LR345]

SENATOR McDONALD: I'm going to stop you just for a moment. [LR345]

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K.C. BELITZ: Sure. [LR345]

SENATOR McDONALD: Would you say and spell your name, please? [LR345]

K. C. BELITZ: You bet. K. C. Belitz, B-e-l-i-t-z. [LR345]

SENATOR McDONALD: Thank you, and that's for the recorder's, this is all recorded. [LR345]

K. C. BELITZ: So first just some of those facts and figures and this just relates to this past season of live racing at Ag Park in Columbus, so just the 2008 season. Between 6,000 and 7,000 people attend those live races each week. This year there were six weeks of racing, some years there's seven. So this year six weeks of racing, call it 6,500 or so, so about 40,000 people over the course of that live mete attend the live racing in Columbus. During that same period of time, from the two lodging properties that were able to report to us who they knew was a direct result of the live mete, there were more than 800 motel rooms filled. Now we know that that number is significantly larger because many of the properties don't track things in that way so they just couldn't tell us even though we know that there were some. Nonetheless, more than 800 hotel rooms over that period of time were filled at those two properties. Others were filled but not reported so a total there of easily more than \$35,000 to \$40,000 in lodging revenue for those local businesses as a direct result of the live races in Columbus. Seventy-five trailer spots rented by the Ag Society for the race season to horsemen and those related to the live mete. One hundred and twenty-six employees were hired this past year by the Platte County Ag Society, specifically again for that need for thoroughbred racing. Accounting for \$219,000 of payroll just over the course of that short period of time and that one piece of business that thoroughbred racing does in the state of Nebraska. As you can imagine, there's certainly additional salaries and spending related to simulcast racing year round. There are certainly additional and harder to figure

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numbers that relate to the fact that horse racing is alive and well in Columbus because as a result of that, not just this year, but for the last 60 years, there has been a Platte County Ag Society that's been able to support the Platte County Fair and hold a number of other events over the course of the season, the course of the year at that facility. So again, a number that's hard to put a handle on but we know it's there. Obviously, during that live meet, horsemen and racing staff buy groceries and gas and do recreational activities and spend their hard earned dollars in our community, all of which helps those businesses that I represent directly in the community that I represent indirectly. So if you use the dollar multiplier that's accepted by the Nebraska Department of Travel and Tourism, which is about 2.7 for each dollar spent, and that is conservative compared to some numbers we certainly could find, nonetheless, live racing in Columbus conservatively is responsible for three quarters of a million dollars in our local economy each and every year. And that's just using this year's number. Obviously, there have been years in the past that were better. There probably have been years in the past that were worse. But nonetheless, a very significant number for our community over the course of that short season really, of just six or seven weeks during the summer that the horsemen and this form of entertainment is alive and well in Columbus, Nebraska. Beyond the dollars though, I think you have to talk about the impact that horse racing has on quality of life. It certainly in our roles as Chamber of Commerce, and I think all of our role as leaders in Nebraska, we have to be aware of the quality of life that we're providing to the citizens of this state. We are, as are many communities in this state, struggling for people. We need more people and you can go to any small town in Nebraska and hear that same story. Well, any literature of today that you look at, talks about the need for quality of life and community amenities and things for people to do if we are to attract the next generation. If we are to attract people who are in their '20s and '30s, they need quality of life. They need community amenities and things to do more than they need a job. In some cases, that's not the first thing that they determine a place to live by, they determine it by whether or not it's somewhere they want to be. And community amenities and quality of life and entertainment is a growing part of that decision. And it has been 60 years now that the Columbus races has been a significant

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part of that equation for our little corner of the world. It's been since the 1940's that live racing and the county fair and all those things have gone on in Columbus at the Platte County Ag Park, none of which could happen without the resources that are brought to that by live racing. The Ag Society has an entity, a nonprofit entity, just as Ak-Sar-Ben was and is, provides scholarships, provides support to young people at the county fair, invests in agriculture and youth and all of those things that are absolutely the bedrock of the culture that makes Nebraska what it is. And again, none of that's possible if live racing has not existed for those 60 years in Columbus. I think an indication of how intertwined those things are, is given by the fact that the Columbus area business Hall of Fame will next year honor Marion Van Berg, the father of one of your testifiers today, as one of the outstanding business leaders in our community for his work, and as all of you know, much of that was again in this industry that we're hear to talk about today. So you just cannot separate out the impact that this particular industry has had, not just economically, but in terms of the culture and the society that makes Columbus and Omaha and all these other places in Nebraska places that we want to live. So certainly you can talk about numbers and they are important, and there's no question that three quarters of million dollars makes a great deal of difference in our local economy and we care about that. But I think as a community, and certainly as a business community, we care just as deeply in terms of what you are here to consider today about the impact that this industry has on the way we live our lives and the quality of life that we have to offer our residents and, hopefully, our future residents. And I think if you want to stop by any Friday night during the live race mete in Columbus you'll find about 1,000 people simply out having a great time with their neighbors, and it is a spectacle. It is among the social highlights, certainly not just to those weeks but of the year to have that many people out barbecuing and having a good time and enjoying the horse races together. That is quality life and that's what this industry is providing to us in Columbus and I am sure provides to the other places where this industry continues to exist in our state. We hope that that will be the future of this industry as well. We know that the considerations that you all have to make will have something to say about whether or not that's true, and we hope that you will consider carefully what can be done to make this an industry

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that remains competitive and able to provide all that it does to our state and our residents. Certainly appreciate the opportunity, senators, to share a thought or two with you. And you have my contact information if there is anything more we can provide you, please don't hesitate. [LR345]

SENATOR McDONALD: Thank you, K. C. Are there any questions for K.C.? Seeing none, thank you for your presentation. [LR345]

K. C. BELITZ: Thank you, again. [LR345]

SENATOR McDONALD: Our third presenter will be Lynne Schuller, executive director of the HBPA, and Dr. Eric Thompson from UNL will testify together. It's good to see you again. [LR345]

LYNNE SCHULLER: (Exhibits 2 and 3) Thank you very much, Senator. [LR345]

SENATOR McDONALD: You have handouts, okay. [LR345]

LYNNE SCHULLER: Thank you very much, Chairman McDonald, and members of the committee. My name is Lynne Schuller, S-c-h-u-l-l-e-r. I'm the executive director of the Nebraska Horsemen's Benevolent and Protective Association, and I'll allow Dr. Thompson to introduce himself. [LR345]

ERIC THOMPSON: (Exhibit 4) I'm Eric Thompson, the director of the Bureau of Business Research at the University of Nebraska-Lincoln. [LR345]

SENATOR McDONALD: And would you spell that, please? [LR345]

ERIC THOMPSON: Yes. E-r-i-c T-h-o-m-p-s-o-n. [LR345]

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SENATOR McDONALD: Thank you, Eric. [LR345]

LYNNE SCHULLER: The documents that you have in front of you represent months of work done on behalf of the Nebraska HBPA. The board of directors felt that it was very important to take a look at the economic profile of the racing industry as it stands today. There hadn't been an economic impact study done, as far as we can tell, since before Ak-Sar-Ben had closed. So since the overall profile of the racing industry had changed, we felt that it was important to do this. I won't go over it page by page. The reason I gave it to you is so that you can peruse it at your leisure. However, I would like to point out some things. First of all on page six, since we're at Horsemen's Park you can see the net pari-mutuel taxes paid. They are paid by Horsemen's Park and Fonner Park. There is a \$10 million threshold for those taxes and State Fair Park has been exempt because they were supposed to be using that money for maintenance and upkeep of their facilities. As you can see from that chart, Horsemen's Park pays the vast majority of those taxes. If you'll refer to page 7, under Nebraska Thoroughbred Foals by Year Foaled, you'll see in 1995 about the same time that Ak-Sar-Ben closed, there was a sharp dropoff in the number of foals produced in Nebraska. The reason for that is there were a lot disincentives to breed horses in the state anymore and a lot of those people went to Minnesota, went to Iowa, went to other states where it was much more profitable to be in that business. Licenses by Category underneath, you can see the thousands of people that are issued a license, which is required to do business on the racetrack, which gives you an illustration of how many people are actually employed in this industry. Under Expense Categories, by far the top expense category in racing is training fees, which is \$12 million in 2007; hay and feed is \$4.32 million; apartments, and so on, \$2.85 million, and the list goes on. If you will refer to page 13, table 2 is the Direct Effect and Total Economic Impact of Track Operations at Horsemen's Park in particular, since that's where we are. If you will refer to the bottom number, the total impact is \$14.66 million. That's a statewide impact for this facility. Also that is not the end of the story for Horsemen's Park. There is also off-site spending that should be included in that and at Horsemen's Park that's an additional \$2.04 million. Fonner Park

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and Columbus were not included in these numbers so if you take a look, this is actually the net aggregate impact from three tracks out of the five. And if you will refer to the back page, the total economic impact for those three tracks alone is \$29.02 million. In addition, if you will refer to the paper handout that you were given, Dr. Thompson also gives an analysis of the local impact for the Columbus racetrack. And as the gentleman before us had said, they're a relatively small community but the racetrack itself has a very large impact on the surrounding area. The overall impact of Ag Park on Platte County in 2007 overall was \$2.91 million. That would be a very devastating thing if, for some reason, the Columbus racetrack ceased to exist. That would have repercussions not for the people that work on the racetrack alone, but for that entire community and that entire area. I'm from that general area. I'm from Neligh, Nebraska, and the economic opportunities tend to get smaller and smaller when you get into those small towns in Nebraska, as you know. So this is a vital part of that community and there are a lot of people that would really be hurt economically if that track were not viable any longer. If you have any questions about the specific number crunching or how those numbers were reached, Dr. Thompson is the person to ask. He's the one that did all the calculations for HBPA. [LR345]

SENATOR McDONALD: Thank you, Lynne. Are there any questions for Lynne? Yes, Senator Karpisek. [LR345]

SENATOR KARPISEK: Thank you, Senator McDonald. Thank you, Lynne. I'm going to try to get a core of some of this. What we're talking about is trying to get the racetrack in Lincoln, the new one built. [LR345]

LYNNE SCHULLER: Yes. [LR345]

SENATOR KARPISEK: I think we haven't really touched on that yet, maybe to say, can you tell us why that's so important. We talked about it a little bit from Greg, but... [LR345]

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LYNNE SCHULLER: The reason that the Lincoln track is so important is because all five tracks in the state of Nebraska are completely and totally intertwined and interdependent. Not only in terms of services and the patrons there, but in revenue sharing and that sort of thing. Because as Greg had mentioned, we can only get revenue from the actual racetrack locations. If we don't build a new racetrack in Lincoln, that market is lost to us and that's well over 20 percent. It fluctuates between 20 and 25 percent and as a result, the rest of the racetracks would suffer because purses would go down, there would be less revenue spread out, and not only that but Lincoln currently carries 37 of our 103 live days. Without those 37 days, essentially the circuit in Nebraska collapses and the people who make their living full time from racing will have no choice but to either get into another line of work or move out of state and make a living there. And I would suspect the people that contribute the most in property taxes, employment taxes, and those types of things are going to be leaving the state. They're going to be going to Iowa, they're going to go to Oaklawn in Arkansas, they'll be going out to Kentucky and those states will be the beneficiaries of those tax dollars because they simply won't have a viable way to make a living in this state any longer. [LR345]

SENATOR KARPISEK: And I'm going to ask the same questions out of some of our owners and jockeys, but so as your organization sees it, if Lincoln isn't open, the whole racing in the state may be gone. [LR345]

LYNNE SCHULLER: We'd be in serious trouble. [LR345]

SENATOR KARPISEK: Okay. The other thing I'd like you to touch on is the mile proposed in Lincoln, the mile track, and why. [LR345]

LYNNE SCHULLER: The reason a mile track is important is, number one, at one point Ak-Sar-Ben was one of the top ten tracks in the country. There is no hugely successful racetrack in the United States that isn't a mile track. The reason a mile track is important

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to racing is because it reduces not only injuries to the animals themselves, but also reduces injuries to the jockey. And Perry Compton has been riding for maybe more years than I've been alive so he can probably explain that to you. (Laughter) But as those turns get tighter, the stress on the joints is a lot more severe and you tend to get a lot more leg injuries when you're coming around those turns. And the other thing is, it's a lot easier for horses to blow those turns, they can't make that sharp turn. So with the mile racetrack, it not only gives longer straightaways so you give the horses more of an opportunity to run on a straightaway surface, but it really cuts down on injuries to horse as well as to jockey, which is extremely important to us. [LR345]

SENATOR KARPISEK: So you would think that we get more, better racing in the state with a mile track? [LR345]

LYNNE SCHULLER: Absolutely. I know we would. As a matter of fact, if Dr. Thompson wouldn't be too embarrassed for me to tell the story about watching Atokad run. Is that okay? [LR345]

ERIC THOMPSON: Only if you mention I used to live in Kentucky. [LR345]

LYNNE SCHULLER: Okay. Dr. Thompson formerly is from Lexington, Kentucky, and has been a longtime fan at Keeneland, which is one of the premier tracks in the United States. And we were collecting data up in South Sioux City when they were running live and he said, would you mind if I watched the races real quick. And I said, absolutely, feel free. So he came back and he said, that was really exciting but they went around twice. (Laughter) I said, yeah, that a five-eighths mile track as opposed to a mile track which is what he's been used to all this time so. [LR345]

SENATOR KARPISEK: One last quick question. I think Greg hit on it that you're looking for tools to keep horse racing...the money. Could you talk a little bit about whose involved in this track and where the money is? I know that's not all ironed out but where

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it's planned to come from. [LR345]

LYNNE SCHULLER: The preliminary parties involved in the project that we're trying to get off the ground in Lincoln are Sunrise EquiTherapy and Julie Wood is here. She's the head of that organization. They work with a lot of kids with special needs, cerebral palsy, that type of thing. They need a permanent place to be housed. The University of Nebraska would also like to really expand their equine program. They're pretty much landlocked on the east campus and it seems as though everyone is trying to expand. As you know, the law college is out there, the dental college is out there. Everybody is trying to fight for that small piece of ground and they would really appreciate it if they could move the equine facility out to where there are other people interested in equine activities. We're also partnering on that project with the Lancaster Event Center. They were very excited when we approached them because there are some national competitions that they would love to be able to get. They simply don't have adequate facilities to handle those types of events. They need 2,000 campsites, about half of them with electricity and water hookups. If they're able to get the national high school rodeo finals, they've been approached, I think, three or four years in a row now about possibly hosting that. They just don't have those types of facilities, but if they were able to borrow our facilities, they would have more than enough and that would bring a huge economic boost to that area. I'm forgetting one other group. Oh, the 2015 Group. Thank you, Julie. It has also been extremely important. As a matter of fact, the 2015 Group really got this project off the ground. They were the ones that donated time, they donated some of the services that they had already purchased and got Clark, Enersen Partners architectural firm to put a plan together to try and get this thing going. So it could really be a regional horse facility. I just came from Lexington yesterday. They have what's called the Kentucky Horse Park and it's this exact plan. They have all different types of people who are interested in all different types of horses who come together in one facility and they share their interests and share facilities and it's just a wonderful experience if you're ever out there. Part of the plan that we included in the Nebraska horse park plan was riding trails so that also people who ride just for

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enjoyment can come out and enjoy the facility as well. And we're hoping eventually, if it does open, that we can have events such as dressage and those types of things so we can really pull people from all over the Midwest to get involved in these types of activities. [LR345]

SENATOR KARPISEK: Thank you, Lynne. And I know we've heard that at our last two hearings but I wanted to get that out for this, the people at this hearing and you looked to be the last person that I could drill on that on the bunch, so thank you, Lynne. Thank you, Senator McDonald. [LR345]

SENATOR McDONALD: Thank you, Lynne. Any other questions for Lynne? Seeing none, thank you for your presentation. [LR345]

LYNNE SCHULLER: Thank you. [LR345]

SENATOR McDONALD: Our next testifier is Perry Compton, a jockey. Welcome, Perry. [LR345]

PERRY COMPTON: My name is Perry Compton, P-e-r-r-y C-o-m-p-t-o-n. I'd like to thank you guys for taking the time to hear us out. It's very important to all of us. I've been a jockey for almost 40 years now. I started...I rode my first winner in 1969 and then the year after that I came to Nebraska, which I've spent most of my career here in Nebraska. And then until we lost Ak-Sar-Ben and it became less apparent that I could make the same amount of money and I had to start traveling out of the state more and more to make a living. Its been so important that we do be able to stay here and to get on with this, that, you know, we need some help. One of the things that I've noticed in having to travel and spend a lot of time away from home and my family in order to be able...so they can stay here and live like I want them to live, is that the healthiest racetracks in the country are the ones that are best supported politically and legislatively within their jurisdiction, something that I have felt that we haven't had for some time.

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And whether it be a new track or help from expanded gambling or other resolves, we need something and we need it quick. Currently, I have to spend ten or eleven months on the road a year and probably 99 percent of my income is made from out of state and I bring it back here to spend it, and I don't really think that's too fair. And there's a lot of people in this room, the people that have made my career so successful, that really know what I'm talking about. We have, you know, historically in 20 years we went from having one of the top ten major racetracks in the country and its been bragged about. We all know what we've lost in that period of time. But now when you come home to be able to spend what opportunities you can to participate in the program, it's really sad to see what we've been reduced to. We've got national Hall of Famer, Jack Van Berg, who is going to speak after me, and last month, I received an e-mail from somebody on Equibase and not to be bragging but there's myself, Tim Doocy, Robert Williams and Randy Meier. Three out of those four riders are very good friends of mine and have spent a lot of time and all been residents or owned properties here in Nebraska when racing was better. And now, everyone of us are somewhere else. And the reason I've mentioned these friends of mine because in this e-mail is, Nebraska has produced out of us four, we're in the top 100 riders in history along with Jack's accomplishment. And that's something I think the people from Nebraska needed to know. It's nothing we ever intended to do because we were too busy making a living and then all of a sudden one day they send you an e-mail and you look at this list of riders in history, it's pretty elite. And like once again, I'd like to thank you guys for hearing us out, and that's one of the things that I think we really need to do, is have a little better support politically and legislatively within this jurisdiction. All the way here on the plane this morning when I left Chicago I kept thinking, God, this is an awkward time to come and have to talk about considering the economical and financial crisis we have going on worldwide. But one of the things that does come out of hardship is creativity. And whether it be this year or next year or three years down the road, I think it's time for us to start being creative, and that's really all I have. Thank you. [LR345]

SENATOR McDONALD: Thank you, Perry. Any questions for Perry? Seeing none,

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thank you for being here today, Perry. Next presenter will be Benny Glass, a business owner. Welcome, Benny. [LR345]

BEN GLASS: Thank you. My name is Ben Glass, B-e-n G-l-a-s-s. I don't have a speech prepared. [LR345]

SENATOR McDONALD: That's quite all right. [LR345]

BEN GLASS: I'm just going to tell you some of the history of mine and thank you for listening to me. We had a horse farm that we bought from Bart Ford in 1974. We probably...well, we raised our family there. We probably had 25 to 30 employees year round counting the farm help and my racetrack help. I've been a trainer all my life and on the advent of the close of Ak-Sar-Ben, my owners wanted to go somewhere else. They wanted a mile track. They didn't exclusively want to race on a bull ring so it sort of ended my career because, number one, my wife said that I wasn't going to be gone all the time so I quit training and sold the farm. But the point that I want to get across is those 25 or 30 employees, they lived here in Nebraska, they paid taxes here in Nebraska, they bought their goods, their services, right down to their toothbrushes, here in Nebraska. Most of those employees left the state, went elsewhere where the purses were more lucrative and they could get more wages. I started a consulting business here in Nebraska and Florida and became the racing manager for Gary and Mary West. So on my travels around the country all the time at different racetracks, you know, I see so many more things that Nebraska has right at their finger tips but somehow, I guess, for the constitution or something, we can't get them. But a mile track would bring back so many more of them owners. And I wasn't the biggest farm but there was a lot of other farms that had a lot of other employees that closed their doors and left the state the same as my people did. And, you know, a mile track would bring them back. And there's another thing that we haven't touched on is, you know, selling the signal on the mile track in Nebraska would be a good sale. And, I know that we can't...you know, when you go to Keeneland, you see them lined up before they go to work, wait 15 to 20

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minutes to get to the teller booth where they can buy an advance wagering ticket to bet on the races. I think we have every bit of that enthusiasm in Nebraska over live horse racing, and with all the expanded gaming and...we're not going to get any of that. We're not going to go anywhere until we get that mile track to bring back the people to Nebraska, and the safety issues, of course. I mean, there's so many more things that could be touched on with a mile track but the jobs that they'd bring in, the people that would come back. We have tons of horse racing owners here but they choose to race elsewhere because we don't have a mile track. And, you know, with the mile track, I mean, it just opens the doors to a lot of more avenues of making the state money, making the residents money, and creating more jobs. And that's about what I wanted to say. [LR345]

SENATOR McDONALD: Thank you, Ben. [LR345]

BEN GLASS: Okay, thank you. [LR345]

SENATOR McDONALD: Any questions for Ben? Seeing none, thanks for your presentation. Our next testifier would be Jack Van Berg, a Hall of Fame trainer. Welcome, Jack. [LR345]

JACK VAN BERG: Thank you, Senator McDonald. My name is Jack, J-a-c-k, Van Berg as in Victor -a-n, as in Boy, e-r-g. I was born and raised at Columbus, Nebraska. My address is 1050 South Prairie, Inglewood, California, 90301. I want to thank you all, ladies and gentlemen, for taking the time out of your busy schedule to listen to us and see our part of things. And I started racing at Columbus. My father was one of the men that started the Columbus racing when they started Platte County Ag Society in the racetrack. But I come here to Ak-Sar-Ben when I was 13 and I rubbed horses for Charlie Tanner, the guy that had horses for my father. When I was 15 I got my first trainers license and I listed Ak-Sak-Ben for 19 years. I've raced from one end of the United States, east of west and north and south and the finest racing, and the finest

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people that you'll find is right here in our home state, I can tell you. The fans and everything and that's why I'm here today because I think that the Nebraska people deserve something better than they've got now. A mile racetrack would not only, I mean five-eighths mile tracks are nice, but a mile racetrack they'll bring with the top horses, they'll bring them their run-over. I think they're deserving of a turf course. We have everything here. This is a farming community throughout the state. We bought all of our hay. We bought all of our straw. We bought oats, you bought corn. Every farmer during the racing here in Nebraska when Ak-Sar-Ben, at one time, was the third best track in the country behind California and New York. At the high time, no matter where you went on an airplane, if you met somebody and told them you were from Nebraska, they said, oh, Ak-Sar-Ben, they all knew it. I was just in Wyoming to a benefit thing, at the Wyoming Downs for Joy Joyce the other day, the chairman of the racing commission in Wyoming walked horses for me here at Ak-Sar-Ben when he was a kid. So many young people that worked for me and the rest of the people on the racetrack that got their education, paid for their education, by working summers at the racetrack here. And I think the people here in Nebraska are deserving of this. I think the farmers, the agriculture part, and the best scenario about racing here is, it's a nonprofit organization. So the fire departments, the rescue units, the equipment they give out, the 4-H programs they give out, college education, scholarships that they give out come from racing here. And millions of dollars that they give away just out of racing here, so I just think if they could build a first-class racetrack here, give these people in the Midwest what they're deserving of, I think it would be the greatest thing. Because everybody is deserving of it and here in Omaha, anywhere you went, the best steakhouses were here in Omaha. After the races when you went to them, they were packed. Go to them now after Ak-Sar-Ben closed down, you could get a seat anytime, anywhere you wanted to. Just what it brings in to the motels, the hotels, the community for food, the farmers who sell their merchandise, it's a big advantage. And I appreciate you folks taking the time out to listen to us and I think they really need some help to get this thing built a first-class operation, equestrian center, racetrack and the whole works to let everybody benefit from it. I'd like to answer any questions that you'd feel free to ask me. [LR345]

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SENATOR McDONALD: Thank you, Jack. Are there questions? Senator Karpisek has a question. [LR345]

SENATOR KARPISEK: Thank you, Senator McDonald. Thank you, Jack, for being here. Some of the thought is that maybe we're already too far gone. We're not going to be able to compete again. Could you tell us a little bit about...because the dates already are taken, can you tell us a little bit about where your horses are even today? [LR345]

JACK VAN BERG: My horses are...I've got a few in Louisiana because I was moving back out of California. I sold my place out there and was just getting back. I want to come back to the Midwest because I'll be right honest with you, the people in California, every lunatic they've got is out there now, so I'm coming back. (Laughter) And so, it's the truth, I call a spade a spade. But we're not too late, trust me. I know what it can do if you had a racetrack here with the finest eating facility there was. I don't care, when Ross' Steak House was here in Omaha, they had the finest steaks. I used to crave for them. I snuck out of the hospital one day and went over there and ate a steak for lunch, a T-bone, and come back. (Laughter) But have a place like that where the people could come, enjoy the races and eat the best food. Whoever had the best chicken, have a stand there. When Arlington Park burned down and they had all the places there from downtown Chicago, with the food there, they packed the people in. I don't think we're too late. I think that with the right vision, you know, foresight is the greatest thing in the world. And if you have the right foresight to build the right kind of racetrack, accommodate the people like they want to be accommodated instead of have to pay \$10 to park their car, \$10 to get through the turnstyle, and \$8 is what they charge you for a beer in California, you're not going to get people like that. Well, let them come in and have family oriented. My barn at Ak-Sar-Ben, when we had the barns in the open, was full of people every Sunday morning come there after Church to look at the horses. They enjoyed it. I never lost nothing. When they put all the barns behind the fence, then I lost things. I think if you had a place where the people could come, enjoy the

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horses...my father never let me have a bicycle when I was a kid. I thought he was mean. I had all the horses I wanted. I had love and affection for the horses but you don't have nothing for the bicycle, so that's what I think you need. [LR345]

SENATOR KARPISEK: So there are owners though that, or trainers that have horses all over the U.S., they don't just take all their horses to one track exclusively? [LR345]

JACK VAN BERG: Well, I've had seven outfits running in my life throughout the United States. I was on...in the high time I was on an airplane every first or second night because back then you had to be there every third day, between the third and fourth day to check your...to be there as down as trainer. But there's trainers that got horses running all over but there's trainers that would send a stable here if you had a mile track and you had a turf course and you had first-class racing. Kansas just lost their racetrack. They used to have busloads and busloads of people come out of Kansas City up here for the races. That was a big weekend for them and you just think, if you bring ten busloads of people in here from them different places, how much it means for the economy for the town and for the state. [LR345]

SENATOR KARPISEK: Okay. Thank you, Jack. Thank you, Senator McDonald. [LR345]

JACK VAN BERG: Anybody else? [LR345]

SENATOR McDONALD: Thank you, Jack. Senator Preister. [LR345]

SENATOR PREISTER: Jack, let me start by thanking you for being here. It seems like you had to make a special trip. You weren't just here on the home place today, so thank you for being here. But let me also thank you for being an ambassador for the state because having been a farm boy in Platte County myself, the name Jack Van Berg is one that I've grown up with and have known all of my life. You have served as an ambassador within the state but you've been an ambassador to Nebraska and to the

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racing industry both, all across the country. I just want to say a personal thanks. I appreciate the recognition you've gotten from being in the Hall of Fame but I think you're recognition goes beyond that because people have respect for you, and I just want to extend my congratulations and my appreciation to you personally. [LR345]

JACK VAN BERG: Senator Preister, thank you very much. And I believe I looked at cattle on your farm at different times. [LR345]

SENATOR PREISTER: I believe so. [LR345]

JACK VAN BERG: Yes, I did when I was a young kid in the cattle business. Thank you very much. It's a real pleasure. I'm a Nebraskan and always will be. Thank you. [LR345]

SENATOR PREISTER: Thank you. [LR345]

SENATOR McDONALD: Thank you, Jack. (Applause) Our next presenter is David Anderson, a trainer. Welcome, David. [LR345]

DAVID ANDERSON: Thank you, senators. My name is David Anderson, D-a-v-i-d A-n-d-e-r-s-o-n. I'm from 937 County Road 4 in Ashland, Nebraska, where I was born and raised on a farm six miles north of Ashland. I've been involved in the thoroughbred business for over 35 years. I've been a licensed trainer the last 25 of those. I have 40 acres north of Ashland, just a half mile from where I was born and raised, where I house upwards of 75 horses during the racing season. When we have horses at the racetrack that number does grow to over 100 both at the racetrack and at the farm. With the closing of Ak-Sar-Ben and the decline in purses and by request from a lot of my owners, I, in the late '90s and up to the 2000 racing season, I took the biggest share of my stable over to Des Moines. I was over there for three or four years. We were very successful. We were in the top ten in the trainer standing and number of wins the years that I was there. After the 2001 racing season, I decided that I was done traveling. I wanted to

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come back here and try to make it work here in Nebraska for many reasons and Jack so stated that the people here in Nebraska are some of the best to be associated with in the country. My family was here. I just felt it was best for me and I wanted to see it work here. I figured that with the decline in the numbers of horses that we had that my stable could help out, and so I've been here. Since that time my stable has grown, like I say, to in excess at times of over 100. I'm just going to give you some figures and these are from 2007 what my stable means, possibly, to the agricultural community here in Nebraska. In 2007 I bought 190 ton of feed. It's commercial feed. I get it from the Gretna Co-op in Gretna, Nebraska, for my farm, and my racetrack feed comes out of Columbus. I spent over \$85,000 for that feed. I fed over 200 ton of hay and alfalfa at a cost of more than \$40,000. The bedding for my horses, which we buy locally, the sawdust mill just down the road, over \$30,000, and I also spent over \$200,000 for payroll. All this being said, there is a reason that we're losing owners, trainers, jockeys, and horses to other racing jurisdictions. That is, more money. We need an even playing field. Less racing days, smaller purses, the five-eighths mile tracks, all these things contribute to why we are losing people and horses to other racetracks. Since the closing of Ak-Sar-Ben in 1995, the complexion in Nebraska has changed dramatically, not for the better. (inaudible) Greg Hosch, she's a very good friend of mine. I wish I would have touched base with his speech before I drew mine up. Mine has to do with Keno, the lottery, and the like. I feel we, in horse racing, need a level playing field. In basketball, it's five on five. In football it's eleven on eleven. In baseball, it's nine on nine. We're getting the short end of the stick, I feel. Today, we live in a fast food society. It's a competition, entertainment dollar, that is driven and therefore, Keno, which we backed, as Greg said back in 1991, we thought we were going to get 2 percent of the revenue to go back into purses. That was declared unconstitutional. The horsemen lost. Now they currently have around 600 outlets in the state. We have five. The lottery, State Fair Park went after the 2 percent of the lottery proceeds to fund the state fair. They promised us that we would get part of that. We backed them financially. They were going to take part of that \$2 million plus a year and put back into their facility to upgrade their facility and their racetrack. Once again, we've seen none of that as horsemen. They got the \$2

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million plus every year. We've seen absolutely none of that. It seems like every time something comes up where we look like we're going to get some benefit, something that could raise purses and bring horses back, and bring trainers back and keep the good owners. I've lost several owners that take their horses out of state just because of the mile racetrack that Perry Compton and Jack and everybody has alluded to that...we need that mile racetrack and we need it very, very bad. The state fair is moving to Grand Island. We understand that and you have approved \$5.4 million to support that move. We supported the state fair for years and years and years. But now as we look to move and expand, if we do not get help legislatively by the year 2012, once again, the horsemen will be out in the cold with no place to race. If we lose Lincoln's days, racing in Nebraska will cease to exist. So therefore, I'm asking for your help, senators. As we propose legislation in the future, I strongly ask that you look at it closely. Thank you for your time. [LR345]

SENATOR McDONALD: Thank you, David. Questions from Senator Synowiecki.
[LR345]

SENATOR SYNOWIECKI: Dave, thanks for your testimony. Nice to see you again.
[LR345]

DAVID ANDERSON: Nice seeing you. [LR345]

SENATOR SYNOWIECKI: And you reference your engagement with the track at Des Moines, Prairie Meadows, I think you're referring to. That you have stabled there at Prairie Meadows. [LR345]

DAVID ANDERSON: Yes, I did for four or five years. [LR345]

SENATOR SYNOWIECKI: Now, can you enlighten the committee. My recollection is, that track wasn't doing so well for quite some time. And if I recall correctly, I don't know

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what the name of the county is surrounding Des Moines but they were on the hook for quite a bit and so forth, and what occurred was they were given legislatively and politically the tools necessary to compete in the gaming field and they begun enhanced gambling and that sort of thing. Can you, having been there and having trained at that track, what did that do to the purse structure and what was the collateral benefit of the purse structure relative to the trainers, the jockeys, and all the spin-off benefits of that enhanced purse structure? [LR345]

DAVID ANDERSON: Prairie Meadows was built, I'm going to say back in the delayed '80s, early '90s, and they got to the point that they actually did close down one year. Their purses were worse than ours are right now and people that were training over in Iowa would come over to Ak-Sar-Ben in Nebraska to run for the bigger money if they thought they had a horse that could compete. Since they passed legislation for expanded gambling, I'm going to give you a for instance, in Grand Island this spring we will run a maiden for \$6,500. A maiden is a horse that has never won a race. Over in Iowa, since expanded gambling has been passed, those maidens run for \$30,000, same horses. Of course, now if we think we have one that can run we take them over there and it just...the flip side in the last 15 years has been tremendous and they have taken all the better horses... [LR345]

SENATOR SYNOWIECKI: (inaudible) In the state of Iowa with this enhanced purse structure that they now have, do they have an Iowa breeders program where it entices farmers, thoroughbred farmers to drop their foals in the state of Iowa? Is there a type of incentive program that comes with an enhanced purse structure? [LR345]

DAVID ANDERSON: Yes, the economic impact study you'll see the decline in thoroughbred horses bred and raised here in Nebraska right now. People from Iowa used to beg to be able to foal out their horses here in Nebraska, of which we didn't let them. But now their program is probably five to six times bigger than Nebraska's breeding program. They have many more stallions, probably five or six times more

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mares. Therefore, their breeding program, just because of the dollar created by expanded gambling, it's so much larger. There's a lot of my clients that foal out their mares over there in Iowa. [LR345]

SENATOR SYNOWIECKI: Because of the... [LR345]

DAVID ANDERSON: Because of the more money. When they raise those foals as Iowa bred, they get to run for the more money. [LR345]

SENATOR SYNOWIECKI: Well, I think it would be a benefit to the committee if we can get some of the Iowa numbers and if we could have an analysis of what the tools given the Iowa breeders and Iowa trainers and Iowa horse racing industry. And I would like to see numbers on how that resurrected the industry in that state and see an example of how that was done. Perhaps that would help legislatively in Lincoln. [LR345]

DAVID ANDERSON: It not only resurrected it, Senator, it's booming over there now. So, yes, we'll instruct Lynne to get those numbers together and get them to you as quick as possible. [LR345]

SENATOR SYNOWIECKI: Thank you. Thanks again. Nice seeing you again. [LR345]

DAVID ANDERSON: You bet. Nice seeing you, Senator. [LR345]

SENATOR McDONALD: Thank you, Senator Synowiecki. Thank you, David. Any other questions? Seeing none, thank you. [LR345]

_____: I had a question. [LR345]

SENATOR McDONALD: I'm sorry. You'll have to ask... [LR345]

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_____: You're talking about the impact on... [LR345]

SENATOR McDONALD: I'm sorry. You can ask him or you can come testify if you want to speak to us. [LR345]

_____: Oh, I just want to ask a question. [LR345]

SENATOR McDONALD: Ask a question? [LR345]

_____: Yeah, I was going to ask you a question. [LR345]

SENATOR McDONALD: You can do that on your own time, okay, if that's all right? Our next presenter is Joe Koziol, a horse owner. Welcome, Joe. [LR345]

JOE KOZIOL: Welcome, senators. My name is Joe Koziol, K-o-z-i-o-l. I have a farm outside of Gretna on the Platte River. I'm on the HBPA board and I was on the HBPA board when we built this fine facility here. I bought my first race horse in 1960 and I bought my farm, 200 acres, in 1970. I breed, race, board, sell horses and I've done this for a long time. Recently, I've been pushed over, as Senator Synowiecki says, in Iowa. I breed in Iowa now and I foal in Iowa. I still have some in Nebraska but the majority of them are Iowa breds. When you're getting five times the money to run the same horse, it pushes you into it. A lot of my friends have sold their farms and moved to Iowa and bought farms in Iowa, as Jack and some of the other people have said. They did a study in Iowa and it's added millions and millions of dollars to their economy, horse racing. And that money came right from Nebraska because just a few years ago Iowa had no racing. They were begging to come over here and race, so we've lost all that. Now horse racing was started in the '30s. It was a supplement to help the farmer, grain, feed, raise horses, race horses. It was ruined after Ak-Sar-Ben left, it just started failing. To let this large industry completely leave Nebraska would be horrid, and if we don't get that track in Lincoln, it's gone. People like David Anderson, who is my trainer, will also be

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gone. He will get a job but it won't be in Nebraska. Now this industry has been here for 70 years and to let another industry leave is terrible. My two daughters have built homes at my farm. My grandchildren and I raised the horses together and I would like to keep this going for my family. It's a necessary benefit to Nebraska. One other thing, I know you've heard some terrible stories from Gambling With the Good Life about gambling. They have a point except the gambling on horses, I don't believe, has anything to do with any of these stories. The bookmakers probably do ten times whatever we get bet on horses. This is illegal betting and, in fact, if we had the money bet on Nebraska's first five races, we could build that racetrack in Lincoln, although none of that money ever hits the economy, some of it goes to Vegas. Sure, at Horsemen's Park you can bet one dime. You can go to that window up there and bet a dime or you can bet a dollar. You can sit here and eat a \$7.95 steak, bet eight races, and not spend ten dollars, and have a good day of entertainment. So I think we've got to have horse racing in Nebraska and you, senators, would show a big part to help us. Our needs are going to be real important. We've got to come up with some money to build that racetrack, but hopefully it will get done and we'll save racing in Nebraska and it will be a great thing for Nebraska. Any questions, I'd be more than happy to answer them. [LR345]

SENATOR McDONALD: Thanks, Joe. Any questions for Joe? Seeing none, thank you for your testimony. The next presenter will be Bob Wustrack, a former owner. Welcome, Bob. [LR345]

BOB WUSTRACK: Thank you. I'd like to thank the committee for having me today, Bob Wustrack, B-o-b, spelled forwards and backwards the same way, W-u-s-t-r-a-c-k. I'm a resident of Bellevue, Nebraska, 14002 South 33rd Street. Jack brought up about, and I think it's a point I hadn't thought of, but matter of fact my summer job when I was going to the University of Nebraska in Lincoln I sold \$2 win tickets at the racetrack, I had forgotten about that. So it does support youth, youth employment. My main reason for being here though is to take you back 25 years. I was enjoying an afternoon of races at Ak-Sar-Ben with a couple of my buddies and they had a two-year-old training sale at

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Ak-Sar-Ben sales pavilion the next day, so I talked these two guys into going to the sale. None of us had ever been to a horse sale. We witnessed the sale of horses and about an hour into the sale this little black two-year old grandson of War Admiral came bouncing out into the sales ring and before the day was over we owned that horse. (Laughter) Yeah, no trainer, no pasture, no barn, no nothing, we just had a horse and 24 hours to find a place for it to live. I had even entertained the thought of trying to get it over to my house and have it mow my yard for me until we could find a place. At any rate, I'm going to fast forward you about five years from that point in time. From that little two-year old that we bought that day, we ended up with twelve horses. Same group of partners, three brood mares, two studs and seven horses on the racetrack. And we could make a go of it because of the purse structure that was in place at that time. That probably got us up to about the closing of Ak-Sar-Ben and then things just went off a cliff fast. I haven't owned a horse since 1998 now because of that reason. And I'd like to get back into the business some day, but I've got to have an opportunity for at least pay expenses before I would be willing to try to do that again. I've got some ideas on how not only help the purse structure but also to help fund the new mile racetrack at Lincoln. Canterbury, up in Shakopee, Minnesota, was gone, dead, closed for a year. As a matter of fact, they had their Minnesota gate races at Ak-Sar-Ben at one time. Canterbury got a trump card called the card room up there that helped save their industry and it's helped grown their racing industry and their breeding industry. Same thing at Des Moines. One of the former presenters said that they had shut down for a year. In fact they had, and then they got enhanced gambling legislated in Iowa and saved that place, and business is booming over there. And this is an idea of my own, that if we would legalize sports betting in Nebraska, the entities that would be involved would be the five racetracks, the only place you could make a bet on sports. The state would get a cut of what they'd call the vagaries as they do in Vegas, it's a 10 percent surcharge. The state gets their cut, the facility operating gets their cut and the post structure gets their cut, plus it would attract new interest in horse racing. We're missing two or three generations of young people. And I could look everyone of you in the face and I know you know that people bet on football and basketball in the state of Nebraska. We get no revenue for that and

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it's our fault. If we could entertain legislation to legalize horse betting and have the five racetracks be the venue for bets getting placed, I think we could not only sustain the industry but grow it. Thank you. [LR345]

SENATOR McDONALD: Thank you, Bob. Any questions for Bob? Seeing none, thank you for your presentation. Next presenter will be Tressa O'Neill, an owner. Welcome, Tressa. [LR345]

TRESSA O'NEILL: Thank you for having me. My name is Tressa O'Neill, T-r-e-s-s-a O-'-N-e-i-l-l. I live in Grand Island, Nebraska and I'm a partner and participate in a family-owned business that specializes in recycling, demolition, construction and asbestos abatement. I am also the managing partner in a breed to race thoroughbred stable. I purchased my first thoroughbred eleven years and three months ago. This means that I never actually witnessed or participated in the days when Nebraska's horse racing was a healthy industry. I want to clarify a couple of issues. First and foremost, the Nebraska horsemen need a level playing field. It is my understanding that the vast majority of laws that regulate Nebraska racing are antiquated. This would be fine, but the laws that regulate Keno and lottery are slick and shiny new. So we either need to pass some rusty, out of touch laws to hamstring and hamper Keno and lottery, or we need to update and polish our horse racing regulations. I think we all know it would be far easier to modernize the horse racing laws than to tinker with the myriad of laws, rules and regulations that structure other forms of gambling in Nebraska. To that end, it would seem only fair to me that if the state can dictate where we offer our product, then the state should also dictate the number of Keno and Nebraska lottery outlets. Barring that, maybe we could leave Keno and lottery alone and just fine tune the horse racing regulations so that our loyal patrons don't have to drive for hours and hours across the state to participate. Furthermore, the horsemen should be allowed to own our own business, track, and grounds. Currently, our profits are controlled by boards that use them to run their grounds while leaving the horsemen and falling down barns and less than ideally maintained tracks. You have heard testimony detailing how racing

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has built grounds that are used for fairs, event centers, and community events. What you have not heard is what said fairs and event centers would do without racing to help them cash flow. It is imperative that we be allowed a fair playing field before these events have to find out. Meanwhile, we need to calm down Chicken Little who thinks that every time the Nebraska horse racing raises its hand to be heard, we're asking for casino gambling. To put it in the vernacular of my generations, racinos stink. Horsemen don't want our patrons to have to trudge through the mindless drones, some lifelessly, in front of nickel slots. Nor do we want to listen to the endless metallic clinging, dinging and crazed cricket-like chirping of the machines. The majority of our patrons spend more time socializing, debating, and interacting with each other than actually gambling. We like this. They are our families and we want to continue to encourage a family friendly atmosphere. Many a horseman have been eyeing the card club that Minnesota has allowed at Canterbury Racetrack. No mindless drones, no clinging and clanging crickets. The club offers games of skill. The club also offers additional skilled job and oversight. I think that card clubs are a good thinking man's fit with racing and will enhance our entertainment by you, while making use of our facilities during the hours and weather when it is impractical to offer live horse racing. People who know much more about this than me, can also talk to you about the way to strict reporting and withholding requirements. Again, this is an area where I believe that you can level the playing field by either penalizing Keno and lottery with a law more in tune with the one horse racing is forced to dance to, or updating and relaxing the law that we follow. I'd also like to speak briefly about the businesses and monies that Nebraska is losing by not providing horsemen with a level playing field. Today, Dell and Martha Pettigrew of Kearney, Nebraska, are in Lexington, Kentucky. They had wanted to be here to add their two cents at this hearing but horse business called. You see, Dell and Martha used to own and stand a stallion at stud here in Nebraska. They used to house brood mares and raise stock here in Nebraska. Dell and Martha used to race in Nebraska, but today they're visiting Lexington, Kentucky, to watch their Kentucky bred horse race. While in Kentucky, Dell and Martha will be visiting the brood mares. You remember, the ones that used to live here. While Dell and Martha's Nebraska money pays a Kentucky

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horseman to care for them, they also pay Kentucky horsemen to raise their young stock and then breed their mares to stallions not owned by Nebraskans. Dell and Martha say that Nebraska has a great history of racing and can support a major racetrack, which would generate good purses, which would attract good quality horses, which would bring Dell and Martha's stable, jobs and considerable monies back to Nebraska. Over the past few weeks, this committee has heard other Nebraska horsemen talk about buying trips to Kentucky. It used to be that Nebraska horsemen could stay in the state and spend tens of thousands of dollars on young racing stock. Because of the deterioration of Nebraska racing, we have fewer breeders producing lesser quality stock. This sends hundreds of thousands of dollars out of state every year. Please note that Nebraska breeders still produce some quality race horses, but the largest number of our best breeding stock is now housed outside of the state. If we create legislation that allows Nebraska horse racing to compete fairly with other entertainment and gambling venues, the entire Nebraska based horse racing industry will revive. The Nebraskans will be able to stay home and spend their money here. We will even see the return of people from outside of Nebraska coming to buy our product. In conclusion, the Nebraska horse racing industry is not looking for a bailout or a casino. We are looking for an overhaul and a fair shake. We need Nebraska to understand that by adapting the current regulations to level the playing field, you are not just removing the stranglehold on racing, you are saving yourselves. The Nebraska horse racing industry employs thousands, and buy products that are produced by thousands, and spend money that feeds thousands more. Please make the efforts to take the time to work with us. I want to thank you for giving me the opportunity to speak today. [LR345]

SENATOR McDONALD: Thank you, Tressa. Any questions? Senator Karpisek. [LR345]

SENATOR KARPISEK: Thank you, Senator McDonald. Thank you, Tressa. Could you explain the card clubs? [LR345]

TRESSA O'NEILL: In what way? [LR345]

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SENATOR KARPISEK: What is it? [LR345]

TRESSA O'NEILL: Well, I'm not...I'm familiar with it, but I've been there. But not being a card player, I...basically it's just a, I guess, poker, and other wagering based card games, and... [LR345]

SENATOR KARPISEK: Well, rather than a casino, they sit down and have a poker tournament. [LR345]

TRESSA O'NEILL: Yeah, they have their own area in the racetrack and... [LR345]

SENATOR KARPISEK: Table games? [LR345]

TRESSA O'NEILL: Yeah, and, I mean, it's a night and day difference between the slots at Prairie Meadows and the card club. This is people that, you know, they're thinking and they're talking and they're chatting and although, you know, you might not want to take your 12-year-old there, it's still a very social atmosphere. [LR345]

SENATOR KARPISEK: Okay. Thank you. I just hadn't heard of that term so. [LR345]

TRESSA O'NEILL: I think there are probably several people here who could speak better to it. [LR345]

SENATOR KARPISEK: Speak better about it. (Laugh) Okay. Thank you. Thank you, Senator McDonald. [LR345]

SENATOR McDONALD: Thank you, Senator Karpisek. And thank you, Tressa, for you presentation. Julie Wood with the Sunrise EquiTherapy will be our next presenter. Welcome, Julie. [LR345]

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JULIE WOOD: (Exhibits 5 and 6) Thank you. Madam Chair and members of the committee, my name is Julie Wood, J-u-l-i-e W-o-o-d, an Omaha native, founder and executive director of Sunrise EquiTherapy since 1998. My background is in education, with a master's degree in special education from the University of Nebraska-Lincoln. I'm a certified instructor through the North American Riding for the Handicapped Association that sets all the standards and accreditations for therapeutic riding facilities throughout the United States and Canada since 1969. Sunrise EquiTherapy is a 501(c)(3) not for profit organization. We have provided equine assisted therapies in a nonclinical setting for individuals of all ages with physical and cognitive disabilities for the past ten years utilizing our specially trained therapy horses. Our youngest rider with cerebral palsy was 18 months old. Our oldest rider was 72 years young, recovering from a stroke. Our service area includes Omaha, Lincoln, and southeast Nebraska. To give you a description about the program from me is interesting, but not near as dramatic as a perspective from someone that rides with our program and works with our program. This is from Kevin Cornell, adult rider: Therapeutic riding can be beneficial in many ways. It helps to relax the rider, give the rider confidence, stimulate muscle coordination, among many other things. Most people use horseback riding as a type of therapy whether they intend to do so or not. But what happens when you need to ride, not just want out of our tenth longing as most of us experience several times in our lives, but rather instead of for relaxation, to be able to walk et al. When we spend our entire lives in a wheelchair or other device and only hopes of walking normal and leading a life apart from our challenging disabled one where everyday is a struggle. How do we manage to find the ability just to be normal? Anything can be done if you put your mind to it and try, and horseback riding is no exception. My name is Kevin Cornell. I have been involved with Sunrise EquiTherapy since the summer of 2001. In 1988, I fractured my neck and suffered a spinal cord injury. I am now an incomplete quadriplegic using a wheelchair full time. I loved horseback riding before my accident and would go any time I had a chance. After my injury, I thought I'd never ride again and it would only be a memory to be cherished. That all changed when I found out about

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therapeutic horseback riding through Immanuel's rehab therapeutic recreation department. They held a clinic with Sunrise EquiTherapy one afternoon which I eagerly attended. What I thought I'd never be able to do again all changed. Horseback riding now became a reality. Since being involved with Sunrise, I have done many other things besides riding involved with representing them. Some of these activities have included talking to students at UNL about the program, volunteering at horse shows to work at the Sunrise booth, circulating informational fliers, doing a demonstration ride to explain what our program is about, volunteering at various presentations, and working at our Sunrise horse show now which has grown every year since its inception, just to name a few, all of which were very enlightening to me. Through various organizations, I've acquired moral support in the way of sponsorships to finance my riding lessons, along with spreading the word about Sunrise's wonderful program. The benefits of therapeutic riding has brought me numerous, numerous challenges, but also numerous wonderful experiences. Emotionally, it has presented me with a challenge that can be mastered, enhanced my self image, and confidence, given me more feelings of independence, and the thrill of just being on a horse again. Physically, it has developed my body, localization, improved balance, improved posture, relaxed spastic muscles, increased range of motion, and build muscle strength, just to name a few. Just the natural gait of the horse is like I'm walking myself. I live in Omaha and I drove to Lincoln once a week for this wonderful therapy. Although the program has been on hold for the past couple of years working toward getting our own facility to operate from, I still make the time to help out where I can to hopefully see this plan come to life and get the recognition it deserves. It would be easy access from Omaha, along with shopping, food, and gas nearby. These past couple of years without riding I have notices that my balance and posture are not what they were, my legs a bit more spastic. Having a permanent facility would allow me to hopefully rebuild what has diminished, not only once a week, but several times a week, year round instead of seasonally. This partnership that is being proposed would not only benefit Sunrise EquiTherapy and its current patrons, but the many that have expressed an interest in becoming riders and volunteers of the program along with being a positive impact on the community in general. Everyone benefits from

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riding, from the volunteers and instructors to the riders themselves. Encouragement is plentiful, enjoyment is thrilling, and expressions are priceless on the faces of the riders and volunteers. Volunteers do get exercise, plus sometimes even riding privileges and the enjoyment of helping others. We all meet new friends, get a new perspective on riding, and the enjoyment of being with the horses, especially for the horseless. We, as riders, learn new things, are challenged at times, form strong companionships with volunteers, instructors, and horses, and get to enjoy the benefits of dreams or just being normal. I have accomplished things on horseback I only dreamed were possible and would love to continue to challenge myself to accomplish more with the Sunrise EquiTherapy program and a new facility. An e-mail came from another individual whose daughter is now 13 years old who has ridden with the program in the past. She has a very rare disease which has left her speechless and unable to walk. Since she started riding with the program, she did start to walk in a walker, then walking with assistance. Unfortunately since we've had to stop our program temporarily and her seizures have started to return. And this is what came from her mother, Julie Colson: We don't have a regular respite care provider for Valerie right now due to Lindsay (phonetic), our current caregiver, getting married. She helps out a very minimal. I am looking for someone now, but I can't find anyone yet. Sorry I haven't been in touch, but I'm maxed out with working full time, no respite care, and an increase in seizures on Valerie's part. Valerie was taken by ambulance the first time in nine years on Monday during school due to a long seizure. My mom and I are taking her to the Minnesota epilepsy group, number one in the nation for epilepsy for seizure evaluation. We can't get there fast enough. Valerie hasn't had anymore seizures at this time, but right now she's overmedicated and she isn't my Valerie. Her sparkle and smile are temporarily gone. I really hope we can get Valerie back on a horse when we get her seizures under control because she's lost so much strength. Do you have her on the list to ride when you are up and running? I hope so because it has helped her strength and spirit so much and she seems so alert when she is riding. If you don't have her on the list, please add her. Are you getting any closer to start building a new arena? By the way, the nickname for Valerie is "Cowgirl." She received that at the Easter Seals camp this summer. She had her same big smile on,

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the same smile she has when she rides her special horse at Sunrise. This partnership that we're talking about today will be a great resource in accomplishing our goals to expand equine therapies to those with special needs within our community on a year round basis while utilizing the skills of the animal science students as volunteers and paid staff in our program. Sunrise EquiTherapy has been collaborating with the university's animal science program to finalize a university-level course, Introduction to Equine Assisted Therapy, the spring session of 2009. In addition, the racetrack will provide us and the university with additional space, the infield, and even the track itself when the races are not in session. Thank you, appreciate your patience. [LR345]

SENATOR McDONALD: Thank you, Julie. Any questions? I think that...I know that you presented in Lincoln, and would you explain a little bit about why the program is not existing now and how important it is that there is a location for your program? And that location, I know you alluded to it, where that location would be and how that would benefit you and your program and the people that you serve? [LR345]

JULIE WOOD: Okay. Our program has been at numerous facilities over the past ten years and we've been forced to move approximately five different times, and that's due to the changes in the people that own the facilities. They've decided that they need to get back in the boarding business or they don't want all the confusion. And there's lots of things that go on with our program, sometimes as many as eight volunteers for one individual which may mean eight cars in someone's personal driveway or barn area. So we've cleaned up a lot of barns and left them nice and clean and had to move elsewhere. The last four years we've been at one facility, actually for three years, and that was because the person who owned it was a volunteer and she knew exactly what we did and knew what went on. That was very important, at least we had a continuity. The other thing is it's seasonal. We can't continue usually after October, and we sometimes can't even get started until May. It depends if we're using just an outdoor arena or an indoor arena. It also depends on what the owner of the facility wants. Sometimes they don't want us to go full time, five days a week. It might be only two

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days a week, which is very difficult to work with those individuals, especially kids in school that come after school and get those lessons in. The impact that we have right now is we know how to do lessons, we know how to evaluate riders, we know how to get our therapy horses ready and safe for our clients. We've worked with healthcare providers to assist us, as well as educators and PTs, OTs, speech language, and we know how to do it. We don't have a place presently because we are focusing on matching a challenge grant that was from Christina Hixen, trustee of the Lied Foundation, for half a million dollars. So our focus now is on that with just a few lessons in various locations in Lincoln. Our therapy horses are boarded out to volunteers and board members. We've been giving a lesson in Blair and a couple of lessons outside of Lincoln. But we don't have a space for our wheelchair ramps, so consequently we can't work with those individuals that have sever disabilities. Having a special location as is the location of 84th and Havelock is a great in the middle for those individuals that we serve that come from Omaha. It's a terrific...you know, on the interstate, off the interstate. In addition to the fact there are grocery stores, shops, Wal-Mart close-by, and those individuals can utilize those stores so that they don't have to be driving a great distances and do it all in one stop. Of course, the partnership with animal sciences just doesn't go without saying, it's outstanding. And we've wanted this for a long time, and now it's come to be. I will be teaching a class in the spring and even have a teacher's assistant at this point who wants to get her degree in psychology with a minor in therapeutic riding. So the interest is there through the animal sciences program. They are interested, they want to work with us. And of course, the racetrack, that's another outstanding for us because the infield could be used for a sensory trail or just a trail, in addition to the fact the track can be used for some of our riders--of course it all depended on the weather--for some of our riders that have a hard time with balance in turning. So our course the straightaway would be absolutely outstanding for those individuals. And of course just the experience of riding a horse and you have a disability and you're on a racetrack. It's exciting for me. That location is great because also the even center is there as well, so individuals that might ride with our program could possibly go and attend some events that are happening at the Lancaster Event Center.

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We think it's a great privilege to be invited into this partnership. We also would be a year round facility. So we would not have to break for the change of seasons, and that would be a great continuum of care for the individuals that ride. [LR345]

SENATOR McDONALD: Thank you, Julie. Any other questions? Seeing none, thank you for your presentation. [LR345]

JULIE WOOD: Thank you. [LR345]

SENATOR McDONALD: We have...excuse me? [LR345]

JULIE WOOD: Gail Jensen is going to present. She wasn't on. She just has a short... [LR345]

SENATOR McDONALD: Okay. Well, she can be next. [LR345]

JULIE WOOD: Okay. Thank you. [LR345]

SENATOR McDONALD: We are at the point where all of the invited participants have presented. At this point in time, we allow anyone to come forward and present if they would like to. Please remember to fill out the form. You can come right...go ahead. Please fill out a form and give it to Matt. Please say and spell your name, and we will go ahead and take participation from the audience. Could I have a show of hands of how many are wanting to speak? Raise your hand higher so we can count you. One, two, three, four, five, six...about 10 or 12. I can't really see, some are behind each other. So if you can make yourself to the front here so we can move through this as rapidly as we can because we don't know how long this is going to take, so that makes it a little bit closer to the front. And I will go ahead and then and start with you, ma'am. [LR345]

GAIL JENSEN: Madame Chairman and senators, thank you very much for the

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opportunity to speak this afternoon. My name is Gail Jensen, G-a-i-l J-e-n-s-e-n. I am from Blair and have been, I think from almost the inception of Sunrise EquiTherapy, a member of their board of directors. I'm also a healthcare professional. I'm a clinical biologist, graduated from the University of Nebraska. I have also been a horse breeder for over 45 years. I am not in the thoroughbred business, but my passion for horses actually began with Aksarben. My grandfather was an ambassador with Aksarben, and every weekend without fail if I wanted to go he took me to Aksarben. And we watched races and we went to the back side and we talked to trainers and jockeys, got to pet horses. And he and my grandmother fed that passion quite well so that I ended up actually going into the horse business. Albeit I raised Arabian show horses, not thoroughbreds. But I am definitely part of the horse community. And I'm here to tell you that Nebraska is a wonderful place to raise and breed horses. I have looked at moving other places. My daughter lives in Colorado. There's no place like Nebraska. This is where I want to stay. Many people have asked me why I choose to give so much money to a small rather obscure charity such as Sunrise EquiTherapy. I have been acquainted and involved with Sunrise EquiTherapy since its inception in 1998. During that time, I have had the privilege of watching numerous dedicated volunteers perform countless miraculous outcomes for patients from small children to older adults. And Sunrise EquiTherapy has accomplished these miracles under difficult circumstances. The program has continued to operate and serve their client base through numerous changes of location for the program. All the while the ultimate goal of Sunrise was to establish a permanent home for the program by having their stable and therapy facilities. With this partnership, that goal will become a reality for Sunrise EquiTherapy. I have seen this fine program make a remarkable difference in the quality of lives, patience regains strength, hope, and a zest for life. People volunteering enrich their own lives as they work through EquiTherapy to restore a quality of life to a patient. Ponies--yes, even the horses--sense that what they are doing is helping a human being. The spiritual bonding that takes place between human and horses is a two-way street. Being a horse woman and breeder for over 45 years, I have seen what an impact horses can have on the lives of people. Though I was not prepared for the successes I

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have witnessed at Sunrise EquiTherapy. A small child with cerebral palsy hunched over in her wheelchair, unable to sit upright, now sits proudly astride her therapy (inaudible), straight and tall with an infectious smile. She sits straight and tall as she operates her wheelchair too. A teenager needing to literally begin life all over again after having half of her brain surgically removed now is working independently, driving a car, and proudly remembers riding as the Sunrise athlete in the Special Olympics. A middle-aged stroke victim, unable to walk at all now rides independently with Sunrise, and she can walk again unaided. With the innovative partnership of the HVPA and the University of Nebraska, these miracles will continue and they will multiply. This small charity makes giant things possible in the lives of people living right here in our own area. Thank you for your time. [LR345]

SENATOR McDONALD: Thank you, Gail. Any questions for Gail? Seeing none, thank you for your presentation. Next testifier, please? [LR345]

JESSE COMPTON: Thank you, Senator. My name is Jesse Compton, J-e-s-s-e C-o-m-p-t-o-n. I'm from 2494 140th Road in Shelby, Nebraska 68662. First of all, it's become pretty apparent to me that I need to get up here before you all and just tell you right now, Nebraska racing isn't dead. I'm probably one of the younger people here that's going to speak, and I will testify to that that I've been working my whole life and things are just starting to happen for us. And I'd like to be around to have a place to raise in the future. First of all, I'm going to tell you a little bit about who I represent and where I'm from because I believe my story is a lot similar to the story of a lot of other individuals in this state. I grew up in a small town. I never got to experience much of Aksarben racing. The reason that I grew up in the town that I grew up in was just because that's where the horses were when it was time to start school when I was four years old. So that's how we settled in Shelby. There was a farm near Columbus where we were racing in the fall. And I grew up in the high school, like all other kids, compete in sports, learn to be competitive, hard work, and all that in my small town. And I took the winnings from what I've done in the racing business and took that onto college. And

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this story may sound long, but when I graduated from college, I got a degree in finance and economics and there were many business opportunities out there for me after I got out of college. But I knew in the back of my own mind all I would ever do is try to make money so I could buy some horses and start my own racing business. It has nothing to do with gambling. It has to do with competition and it has to do with community. So that's a little bit about where I come from, which ties in with my family who came here because of the racing opportunity in Nebraska. I'm the third generation of a product of that, our farm and our land. But there's a part of this that is getting lost on everybody and that is the community of the track because I say I'm from Shelby, Nebraska, and although I spent my K-12 there and I have a lot of memories on the football field and the basketball court, the track, and so on and so forth, all of my memories of the people that raised me are all on the backside and I am a testament to what they can produce. I've always been at the head of my class. I graduated through college no problem, and I would like to be part of all the solutions to lead Nebraska to where it needs to go so we can lead the Midwest with this...what to me is like the greatest opportunity for anything I could see coming along for a horse facility that is unique to anywhere in the Midwest. I've been to Kentucky Horse Park. In fact, the first time that I could go on vacation when I left Shelby was to go to the Kentucky Horse Park. And when I came back, I said, boy, we could sure do that in Nebraska. Little do I know years down the road, someone else already has that plan. Within the community that is dying is a community that spends--you've heard rough estimates from everybody--maybe \$10, \$15 million a year. I know that there's at least \$7 to \$8 million given out a year in purses. And that's what we all race for, that's our pie. And within that pie, that supports the whole community, and that community gives back to whatever community that it's in. So a rise in purses is naturally going to affect everything that comes along with the state. The people that are within this community, there are several. There are horses, there are jockeys, there are people who work in the stables, trainers. You've heard from all of them. But I think people are forgetting about the horses because this is a very real issue about what's going on. If horse racing ceases to operate in this state, in two to three years you could see 2,000 to maybe 3,000 horses with no purpose. And that's a very real problem.

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Horses that on average probably take \$15, \$20, \$30 a day to take care of and maintain properly. So if you multiply that times the number of horses per day times however many days, you can see that that's a huge number. You that can't be just wiped aside. This is a multimillion dollar industry and part of a community with over 1,000 people that is really in trouble. And there's an easy...maybe not easy, but there's certainly a viable solution out there. And that's where I'd like to go next with this is some of the opportunities that I see in the future that are definitely discussed. Government has a lot of different purposes, and I think that that's something that you guys can help us with. And it's something that I see with this facility is the fact that you can help and be a vehicle to help all facets of the horse industry. I mean, we're just speaking of the racehorse, the thoroughbreds industry right now. There was a lady who spoke about Arabs and there was a quarter horse man that spoke in Grand Island. This facility could really utilize one large piece of ground in the central part of the United States to create something that will be in tune with what they're trying to do down at the university with the things they've done with the stadium and the Quest Center in Omaha and the Saltdogs new stadium. There's so many things that are happening in this state that are making it an attractive place to come to that building a premier Midwestern equine horse facility would really have a large impact and not only help those that are already here, but possibly bring more in. And help from you guys would be the shot in the arm from a confidence standpoint that many of us are looking for. As an owner, trainer, I don't exactly know what my title is, I'm a horseman. That's the way I consider myself despite what I'm doing from day to day. This morning I was playing with horses, many the same way that some of these other people would like to. And I can testify that my own personal development as a person and a human being is directly related to my relationship with horses. And when I hear about how other people can use horses, is that those horses that finish racing at that track can be retrained and retooled to fit into some of these other programs that can benefit the community. And also when you consider what can happen within the community with cooperation from local areas. FFAs, let them have events. There's plenty of sponsorship opportunities within racing. Let each and every town have a stake in the whole racing economy because the more

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people represented, the more towns represented, the more that the cost of racing gets spread throughout everybody and everybody can benefit. And when you think of those horses, there really is no place for them to go. So many people have talked about what can happen perhaps with the mile track. There's some things that I would like to bring up to you guys that you might not understand about the differences between a five-eighths mile track and a mile track because last time when I spoke, one of the committee members asked me if I thought our horses could compete there. One of the main distances we run in Nebraska is six furlongs. And that's three-quarters of a mile to you guys. And add a five-eighths mile, three-quarters of a mile is around two turns. But when you're on a mile track, you start and you only go around one turn. And basically the racing is better in the straight always for most people to watch. So if you can find out ways to create a versatile track, maybe not...it doesn't actually...a mile track that can have the versatility for quarter horses to run six furlongs around one turn, to run a mile and a sixteenth about two turns, things that we can't do here with the facilities we have. I think there are also ways to, when you upgrade the facilities, to use them in ways they haven't been used before, section them off like many people have said, have steak houses, whatever, local businesses. And maybe figure out ways to keep a family atmosphere and the gambling atmosphere somewhat separate so people can go to enjoy the pageantry of the horses because I keep coming back to the horses that are getting lost in all this, and they're the ones that provide a living for me and for all the people that take care of them. But the horses don't actually spend a cent. So all the money that goes into the horses comes back from the horses to the people and to the communities. And the horses actually don't take anything. And that is something that is unlike other forms of gambling. So I will conclude by saying there are many opportunities for a lot of us that race in Nebraska. A lot of us are really good at what we do. And any time we go to Iowa or Minnesota or Kentucky or Oklahoma, there are many people that are always trying to lure us away, especially young people like myself. But I've lived in Nebraska all my life and I've spend various times around all these other tracks. And to me, I agree with everybody else, there's no better place to live than Nebraska. And when I get up in the morning, I get to work with some of the most

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beautiful horses in the world, horses that when I was a little kid I never dreamed that I would have access to. And I'm only 26 years old and I get to pick out, you know, what we use as racing stock. So in a way, I've already exceeded the dreams with which I had for myself when I set out to college. so now that the good life is starting for me, I can probably take it any state in the country and compete. But what I'm asking you guys is through consideration and thorough cooperation with us and other horse communities to help me keep my good life here in Nebraska. Thank you. [LR345]

SENATOR McDONALD: Thank you, Jesse. Any questions for Jesse? Seeing none, thank you for your testimony. Next presenter. Welcome. [LR345]

CARLA HANS: I'm Carla Hans, C-a-r-l-a H-a-n-s. I'm from Shelby, Nebraska. I just live three miles from Jesse (laugh). I live in Senator Adams' district. And just a little bit of a background. About 30 years ago, my husband, I don't know why, purchased a thoroughbred mare. She was bred and it snowballed into a business. WE have stallions. We have brood mares. We do our own foaling. We break our own babies. And from that first mare we're running the fourth generation. You know, they're just like part of the family. Both of my girls train. My grandson is learning to gallop. But what I'm really here to talk about is how possibly the racing industry could help the state. When we were running in Iowa, and it's been quite a few years ago, the purse money we received was less the state income tax when we got our purse money. Do you realize we have trainers from all the surrounding states coming into Nebraska and running? I wish I would have did some research on purse money that has left the state just this year. I think it would open our eyes. An example that comes to mind is the Bosselman. When it was \$100,000 purse, the winner's share was \$60,000. How many times did that \$60,000 winner purse go out of the state? If we would have taxed it before it left, Nebraska would have had that money. The Horsemen Park races have excellent purses also. And we have a lot of horses come into the bigger races at the smaller track, and a lot of that money goes out of state. Why not keep it here and benefit our state. Our industry can benefit the state of Nebraska too if we look at all the sights. That's it. [LR345]

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SENATOR McDONALD: Thank you, Carla. Any questions for Carla? Seeing none...
[LR345]

CARLA HANS: Thank you. [LR345]

SENATOR McDONALD: ...thank you for presenting. Next testifier. [LR345]

MIKE KRATVILLE: My name is Mike, last name is Kratville, K-r-a-t-v-i-l-l-e. Even though I'm an attorney, I'm not here representing anybody except I'm just a fan of racing. And I'd like to talk about the concept of the unlevel playing field that Greg talked about early in his remarks. One of the things is that some of the...Dave Anderson talked about is over at Prairie Meadows, they've got the slots and things like that and that adds some purses. Well, if I go across the river over to Council Bluffs, I can open up an on-line account and I can bet Prairie Meadows races. If I'm up in Minnesota, I can open up an on-line account and bet Canterbury. If I'm in a lot places in this world, I can open up an account, and even though I don't go to the track, I can still bet. Now, that helps the pools at Prairie Meadows, it helps the pools at Canterbury. Nebraska law does not allow that. If you're not here in this facility on Lincoln and Columbus in the actual track facilities, you don't get to bet on Nebraska races. That's a fundamental...not just unfairness because that's not the point here, the point is the state is losing a lot of money that doesn't end up in Nebraska's pools because we have a deficiency in our law. Nebraska residents are not allowed to bet on-line, bet on Nebraska races. Having dealt with some of these companies that do it legally, I know that there are literally thousands of people in Nebraska that bet on-line legally, the horse races. If that money could come back through, say Horsemen's Park portal, Lincoln's...or if HVPA would put one together, there would be the opportunity for Nebraska tracks, one, to share in money that might be bet on races outside as they do here at Horsemen's and the other Nebraska tracks. But secondly, for people saying Valentine or Scottsbluff and driving to Fonner, to be able to bet in the privacy of their homes, their offices, wherever they may be on the

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Nebraska races. And so the point that I want to get to talk about more than anything is that I think we can also help our industry by helping in the law with regard to the technology. We need to level the playing field. Now, Mr. Compton over here looks to be about the youngest person in the audience. When I walk around here at Horsemen's Park--I'm from here in Omaha--the average age of the people around here is older than I am or probably right about my age. The younger people the people that are younger than...I'm 47, the people that have grown up on the Internet, they like to bet. And when Bob Wustrack was talking about allowing for sports wagering--if that happens, that happens. But I think even more realistic option is to try and get the younger people involved in horse racing because if we change the law to allow it in Nebraska, we can bet it on-line too. That's the thing that I think is going to grow our business ultimately in the long run is technology. I don't think casinos are the answer, not because in other states it hasn't worked, it has. But I just don't think the people in Nebraska have the foresight as a general populous. You know, when we tie horse racing, the casinos several years ago, the measure got defeated 70-30. So I don't think that the people of Nebraska are going to accept a horse racing/casino initiative. I think we have to present them with an initiative that relates to horse racing because I think that's a very politically acceptable solution. I think it's acceptable for you guys to vote on as legislators and not go home and face a lot of static as opposed to some of the casino initiatives. And so the point that I want to get to is that the technology exists to level the playing field out here so that if you live in Valentine, if you live in Omaha but you want to bet someplace else and not drive several hundred miles to bet on the races, the technology exists. We just need to change the state law, and then everyone can benefit from that. Not only do you throw more money in the pools like happens over in Prairie Meadows and Canterbury and the other tracks, but you guys can tax it too. And so simply by changing the law, we increase the tax revenues and we help the sport immensely. Thank you. [LR345]

SENATOR McDONALD: Thank you, Mike. Senator Synowiecki has a question. [LR345]

SENATOR SYNOWIECKI: Mike, Mike? [LR345]

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SENATOR McDONALD: We're not going to let you off that easy. (Laugh) [LR345]

SENATOR SYNOWIECKI: Appreciate you testimony, and kind of ringing a bell with me. I just took a trip with my two boys and we went to Wisconsin. Yeah. Can I talk? (Laughter) Sorry. And when we went through Illinois, on state signs through the state of Illinois it was the next exit was an offtrack betting facility. And that kind of rang a bell with me. Is an offtrack betting a simulcast center in Ogallala, Scottsbluff, Kearney, that sort of thing, might be a tool we can give the horsemen the would not go down the path of a full fledged casino type of an environment. [LR345]

MIKE KRATVILLE: Right. [LR345]

SENATOR SYNOWIECKI: But as you probably know, that's a constitutional issue. Can you speak to...and I think you did a little bit there, but can you speak to the feasibility of that on the ballot, on a Nebraska ballot for allowing that? I think that's been tried before and it was unsuccessful. [LR345]

MIKE KRATVILLE: It was tried back in about 1981. [LR345]

SENATOR SYNOWIECKI: Right. [LR345]

MIKE KRATVILLE: If fact, there was an offtrack parlor here in Omaha that I recall. And the Supreme Court, again, I want to say it's '81, shut it down basically because the constitution says that all bets have to be made on the track. And even though that person, you would go and you would deposit your money, and they would actually physically go to the track and bet it at Lincoln or Columbus or Omaha or whatever, they still said that was a problem. So I think OTBs if you change the constitution certainly would be feasible. I think from a technology point of view, I think we probably maybe moved a little bit past that. I certainly wouldn't oppose the idea, but I think the idea of

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allowing people to bet on the Internet, again, so that the tracks can get more handle not only on their own races, but so that they can also get a cut of the money bet on out of Nebraska races too. I think that's probably the bigger win-win option for us too. But you've got to change the constitution. [LR345]

SENATOR SYNOWIECKI: Right. Okay. Thanks for your testimony. [LR345]

MIKE KRATVILLE: Any other questions? [LR345]

SENATOR McDONALD: I do have a question. [LR345]

MIKE KRATVILLE: Sure. [LR345]

SENATOR McDONALD: So explain to me how this works. We, in Nebraska, cannot accept bets from out of our state also and you cannot bet from Nebraska on any other tracks. Is that, both of those scenarios correct? So you cannot bet Des Moines. Okay? [LR345]

MIKE KRATVILLE: I can come here and do it. [LR345]

SENATOR McDONALD: You can come here and do it. [LR345]

MIKE KRATVILLE: Right. [LR345]

SENATOR McDONALD: But you can't do it from home. [LR345]

MIKE KRATVILLE: Yeah, you can... [LR345]

SENATOR McDONALD: From an off-site local, so to speak. [LR345]

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MIKE KRATVILLE: Actually at least one of the sites have researched Nebraska law, and I agree with their legal conclusion that Nebraskans can bet on outstate races. [LR345]

SENATOR McDONALD: They can? [LR345]

MIKE KRATVILLE: Absolutely. And I mean, you know, again I think it's legal and I don't mind admitting that I have one of those type of accounts. In fact, my CPA mentioned that he's got a client who paid the federal government over a million dollars of taxes off of bets made on an on-line account last year. [LR345]

SENATOR McDONALD: And that's two other racetracks? [LR345]

MIKE KRATVILLE: Absolutely. [LR345]

SENATOR McDONALD: Okay. But you couldn't then on one in Nebraska unless you're physically there. [LR345]

MIKE KRATVILLE: Correct. That's exactly right. [LR345]

SENATOR McDONALD: Okay. All right. Thank you, Mike. Any other questions? Seeing none, thanks for your testimony. Next presenter. Welcome. [LR345]

ROGER PELSTER: Hi. Thanks for having me. My name is Roger Pelster, P-e-l-s-t-e-r. I'm representing Nebraska Thoroughbred Breeders. I'm on the board of directors of the Nebraska Thoroughbred Breeders, and I've been at my 47-acre farm at Mead, Nebraska, since 1976. I bought it in 1994. A year later, Aksarben closed, and along with that a lot of my business of boarding and breeding horses went to Iowa. My business consists of boarding, breeding, and breaking horses. I stand two real nice studs. One's Blumin Affair. He ran third in the derby, second in the Breeders' Cup, trained by our

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fellow Nebraskan Jack Van Berg. The other one is Dazzling Falls. He's the all-time leading Nebraska-bred. He made \$904,000. He went to the derby preps. Anyway, for years now I've taken care of an average of 20 mares. Each year about half of them load up on January 1 to go outstate, Iowa, Minnesota, or Kansas, to foal out there so they can have an Iowa, Minnesota or Kansas bred. In the thoroughbred business it is where you foal which decides what breed you're going to have, whether you are to have a Nebraska bred or an Iowa bred or Minnesota bred. Therefore, you know, the mares have to setup residency from January 1 until foaling. And the purse structure outstate makes it in (inaudible). However, the breeders program isn't as good as Nebraska, just that our purse structure isn't as good. But our breeders program is second to none. Leaving the state with the mares is the agricultural income like about \$18 a day it cost to board. And there would be a \$350 foaling fee that Nebraska will not get. I would be nice to see the money paid for labor, bedding, vanning, hay, grain, vet fees to stay here in Nebraska. This has been going on since the day that Aksarben closed. Before that, you know, I was the one that was receiving the mares from outstate to foal. It really surprise you to know how much is invested in a horse from the day of conception until the day that that horse starts its first race, which is generally around an average of three to four years. Investing being, once again you know, bedding, hay grain, the ferrier, labor, fanning, vet expense, etcetera, all which is a boost to our agricultural economy here in Nebraska. But I don't see how it could be done for any less than...you'd probably invest about \$15,000 to \$20,000 per horse. The pari-mutuel dollar has been put to good use. I can think of no other form of gambling where so many people get to have a part of it. I myself, I could care less about betting on a horse race. It is the love of the competition in the trying to breed a true athlete or a superior runner that is important to a true horseman. And those of us that are left are true horsemen. When I step in the track at the Prairie Meadows Racetrack in Altoona, Iowa, was like walking into the old Aksarben kitchen. The faces were the same, they just had moved to a different state. It'd be nice to see them return to Nebraska. The possibility of this new one mile track in Lincoln, the mile part being important, just might be enough to give people incentive enough to breed, foal, and race here in Nebraska. Let's keep our people, horses, and money in

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Nebraska. Thanks. [LR345]

SENATOR McDONALD: Thank you, Roger. Any question for Roger? Seeing none, thank you. Next testifier. [LR345]

JOHN THIEL: My name is John Thiel, J-o-h-n T-h-i-e-l. I live about six miles north of Omaha. I had my first racehorse in 1980. I've been in the business ever since. Just to give you an idea what I spend in the state of Nebraska on horses, I buy approximately three ton of feed a month, numerous tons of hay. I've bought several tractors, horse trailers, and miles of fence. I have 43 acres out there, and I raise thoroughbred horses. These horses, since Aksarben has closed, I take them, my mares, to Illinois, I take them to Arkansas, I take them to Iowa to foal. I would rather race exclusively in Nebraska. It's my home. But I can't feasibly do that now. So I have to take these mares out, foal them in other states, and race in other states. I race in Iowa, Arkansas, Louisiana, Illinois. And one of these days if we don't get things changed around, I'm going to have to move there myself and I prefer not to. So just to give you an example of the purses, I raced horses here in Nebraska this year. I won six races in Nebraska. I took two horses to Illinois about six weeks ago. I won one race in Illinois and I got more money for that one race than I got for the six races in Nebraska. My taxes in Nebraska are...everyone knows what the taxes are in Nebraska. I have a 32-acre place in Arkansas. I run for a \$33,000 maiden purse in Arkansas, a \$6,000 purse in Grand Island. My taxes for the 32 acres in Arkansas are about what I pay for my car here in Nebraska. So the books just don't balance. We need to do something to help the horsemen. Thank you. Any questions? [LR345]

SENATOR McDONALD: Thank you, John. Any questions? Seeing none, thank you for presenting. Next testifier. [LR345]

LYNN McKEE: My name is Lynn McKee, L-y-n-n...did it go off? Is it okay? Here we go. L-y-n-n M-c-K-e-e. I'm actually here representing my wife. She actually owns all the

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horses. So the rest of you know the story. I pay the bills (laughter), and I got to tell you it's a lot of fun. Today as I say here and listened to the various people that have spoken, many of which I've got to know in one way or another in the short period of time we've been in it. I bought a racehorse for my wife in 2005, gave it to her for Valentines Day. And since that point in time though we now own 14 horses in Nebraska of which most of them race in Nebraska. We have also decide about 18 months ago to try to breed those horses...or three of those horses. Roger Pelster who just spoke recently, he did the breeding for us. Jesse Compton just got back from Kentucky bringing a horse back for me from Kentucky. We've ended up though now today sitting back and going, what are we going to do in Nebraska? Of course, we were aware of the fair program and where that was going, the university scenario, and certainly knowing that the fairgrounds racetrack was going to probably disappear and hopefully something was going to be done about it. In the meantime though through this process, the joy of the racing itself, today we race horses in Kentucky, Canada, Indiana, Oklahoma. We have horses running all over the country, except California right now and we're hoping to get in there too. We enjoy the sport. But as I've gotten the opportunity over this short period of time, roughly this is our fourth season in racing, we've had a great opportunity of going different places, seeing different things, certainly seeing the purse structures which are dramatic. We've also had the opportunity to run in good races where those purses are dramatic. Nebraska doesn't need to get to that level that is running in Kentucky and so on. We won't ever be able to support that. But certainly the basis of everything really will center around the track here in Lincoln or potentially in Lincoln getting to a mile track. Last spring for the Bosselman, our trainer in Kentucky had gotten a call about the horses that had won the Bosselman of the year before who he happened to be training and wanted to know if they were going to bring that horse up. At the same time they asked if we had a horse down there that wanted to know if we wanted to bring that up. And as much as I've tried to buy a horse to run in the Bosselman and win the Bosselman, I mean that's important you know, we couldn't afford to do that because of the track. We couldn't afford to bring a good, good horse here and run on that track in Grand Island because the potential is too hard on them with the shorter track versus

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running on a mile track. I think Nebraska horse racing going back to the days when I first went which was first at the state fair grounds on a Saturday afternoon and then also at Aksarben has changed dramatically. Although this is the first time we've actually owned the horses and been involved in that side of it. We have a great opportunity in front of us here. There's a need. I think there's the ability to structure the financial side of it as far as building the track. We certainly need to examine how we best create a purse level that allows the quality of horses to come here, and for the people in this room and perhaps the people that were in Lincoln and Grand Island to continue to support themselves with the living that they've choose to make as well. We as an example through this...well, in 2007 we spent close to \$100,000 in Nebraska for the care and training and vet bills and so on for our horses. That's significant. We're a small player. We are a small player in this and people, owners, owners now, spend a lot of money to take care of these horses, to run them, vet bills, trainers, stall guys. It goes on and on and on. My wife and I certainly hope that we can see a bigger track in Lincoln, quality track. Don't just put a circle out there. You know, do something we can be proud of. We may not be able to get back Aksarben itself, but we certainly can have a fine track today. The Lancaster Event Center area certainly makes a lot of sense to me. I live in Lincoln and I live on the east side of Lincoln as well, and I think it would be an excellent place for that. Thank you. [LR345]

SENATOR McDONALD: Thank you, Lynn. Any questions? Seeing none, thank you for your testimony. Next testifier. [LR345]

PAT LOONTJER: Greetings, Senators. I'm Pat Loontjer. It's spelled L-o-o-n-t-j-e-r. I live at 2221 South 141st Court in Omaha, and I am the executive director of Gambling with the Good Life. And it's kind of deja vu to be here today because Gambling with the Good Life began in 1995 at the legislative hearings at Aksarben. And basically it was the same proposal, the underlying proposal which was that we needed to change our constitution in order to bring slots to the tracks or it would be their demise. And since that time, which has been 13 years, that proposal has been on the ballot three times

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and it's been soundly defeated three times by the voters of Nebraska. The voters of Nebraska do not want to see expanded gambling. I'm not here to address the issue of what's going to happen in Lincoln or even at this park here because we have never taken a stand on existed gambling. There's many in our coalition who do oppose all forms of gambling, but we have taken and drawn a line in the sand to say we are opposed to expanded gambling because slots machines are the crack cocaine of gambling. They bring heartache, they bring devastation, they bring bankruptcy, divorce, and even suicides. And we believe that these hearings are being conducted for that purpose, to bring that before the Legislature. And the reason I say that is because there was an article written on April 24 where it is quoted that another legislative effort is planned for 2009 or 2010 and officials characterize it as a last chance to save the sport. The Horsemen's Benevolent and Protective Association plans to craft a bill that would allow for slot machines only at the track. Now, that is very alarming to us. It's something that we will vehemently oppose. We would consider it a bailout of an industry that is suffering. We believe that every other business in the state would agree with us and would join us in that opposition. For 13 years we've studied this issue of expanded gambling. I have a number of materials that I'll forward to your committee. We've been joined by many prominent Nebraskans who really care about our families, care about our state, and who have studied the issue. Tom and Nancy Osborne. Tom has been our honorary chairman for a number of years. Nancy serves on our board of directors. Warren Buffet has stood with us and has helped us in many ways, including a 30-minute video that has gone worldwide of his views of expanded gambling and what it does to the economy and what it does to families. So I'm here today to just share with you that we believe that that is the underlying reason that will be proposed to the Legislature. We will be down in the Legislature in January when probably future hearings are held to oppose this and do whatever it takes to prevent this from happening because the statistics and the facts and the stories that we hear are heartbreaking. And we believe that it would be devastating to our state to convert our tracks to casinos. I took note of what Senator Synowiecki said about Des Moines and about Prairie Meadows. And it's interesting to see what happened in Iowa in the early

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nineties when they opened that crack in the door. And they were not protected by constitution as we are. But their legislature and their governor allowed two river boats to come in. The minute the two river boats opened up, the dog track in Council Bluffs and the horse tracks in Prairie Meadows and such began saying this is unfair, we cannot compete, and you have to give us a license also which they did. Now, Bluffs Run was given a license. It is now owned by Harrahs. It is now called Horseshoe. It has 67,000 feet of gambling area and very few people know where the horses are...or the dogs rather. And that's exactly what would happen in Nebraska if we opened up our constitution to allow expanded gambling for one industry. It will not stay there, it cannot stay there because even if the bill passed and the tracks were allowed to become "racinos" or casinos or whatever, automatically our four tribes would be given the rights. So it would be opening a can of worms that we would never, never be able to close again. And the voters of Nebraska have spoken. They want to protect the good life. They do not want us to become the gambling state. And so I would urge you in your report to take that back to the Legislature to remind them that the people have spoken and that to ask for this kind of a break for a suffering industry when there's so many other industries that are suffering in our state today that would not be given this benefit. I would just ask for your careful consideration to not have any of those recommendations go forward. [LR345]

SENATOR McDONALD: Thank you, Pat. Any questions for Pat? Seeing none, thank you for your testimony. [LR345]

PAT LOONTJER: Thank you. [LR345]

SENATOR McDONALD: Next testifier. [LR345]

BROOK SEACREST: Good afternoon, senators. My name is Brook Seacrest. I'm from Lincoln, Nebraska, and I am Chicken Little. And the casinos are coming, the casinos are coming, and the casinos are coming. And I don't have a problem with Horseshoe or

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horse gambling so per se. I am a casino gambler. I am a casino addict, compulsive gambler, and I do have problem with it. And I'm here today to try to stop--again stop--some of the expansion that's happening in Nebraska. As Pat just spoke to, everyone knows the story of Horseshoe Casino. You open the door a little bit, you give them an inch, they take a mile. And that's a sad fact in this world, but it's a fact we deal with--sometimes it's good, sometimes it's bad. I did have a gambling problem. Like I said, it started when I was 18 years old and I could outside of this country for gambling. I was interested in the cars initially. I got into poker, roulette, slots, you name it. I had a problem and I didn't go into rehab until I had a family that was supportive enough for me. And I was actually on the phone with a doctor contemplating suicide that I said this is enough and I went into rehab for it. I spent two months and over \$40,000 on rehab just to get myself better, and luckily I had the support from my family to do that, not everybody does. You know, it's a tough issue because you want to see such a sport. I mean, I've seen the people up here today talking about horses that they love and who doesn't love horses? I mean, horses are beautiful animals. They've been with us through history. They've taken care of us. We've taken care of them, and I love horses too. But it's the gambling factor that just bothers. I would just move back from Daytona Beach, Florida, where their horse track...they had a horse track, wasn't doing so well, so they opened a new one. And now, over 90 percent of it, 90 percent of it is a card table. It's just cards. That's all they do. They do a couple of horse races, you know, a couple of pari-mutuel, I think that's what you call it. But it's all cards now. And you know, you give them an inch and they take a mile, and that's what they're starting to do down there because the house found that it was more productive for them and more money in it if they could just do cards. Anything (inaudible) than America, we have 50 different states, and each state has the right in a lot of different ways to set the laws they want. If I want to go to Vegas and have gamble and do my thing, I can go to Vegas and gambling and do my thing. And if I want to go to Lincoln, Nebraska, or anywhere in Nebraska, I don't have to gamble because gambling isn't here. You know, when I was a student at UNL, I don't know if I would have made it if there was a casino next door, let alone if I was a student here in Omaha. It's just more things to do and, you know, and they talk about in

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the up-and-coming age group. Well, and I am that age group, and I'm not saying I don't like horse gambling. But it's just not a big thing for me, so it's just not interesting enough, there's not enough action into it, and that's why I went into other things. But that's the thing: If you give them an inch, they'll take a mile, they go more and more, you got to bet \$1, \$2, \$3 each time and up the ante. So hopefully we can take Nebraska and we can keep it as a state that does not have to look at gambling. I mean, you want to go drive to Iowa, it's right across the river unfortunately, yeah. You know, that's just the way they are, that's where they put that land, so we have to you know live with it. But hopefully we don't have to live with that here in Nebraska. In the middle of the state in Grand Island, Hastings, they have to go quite a way in order to find some gambling. You know, and the issue comes down to just I'd like to leave you with this is do we balance entertainment or our friend's general welfare? I mean, which is most important to us: Is entertainment over general welfare of your neighbors? Thank you. [LR345]

SENATOR KARPISEK: Thank you, Brook. Are there any questions for Brook? Thank you. Next testifier. [LR345]

HELEN ABBOTT FELLER: Thank you, committee, for holding these hearings. I want to say how much I appreciate it. My name is Helen Abbott Feller. My last name is F-e-l-l-e-r. I grew up in western Nebraska. My dad raised horses all his life and he built and owned a thoroughbred farm in Omaha which I joined him and helped run after college. I'd meet him every day at the track when on a Wednesday there would be 15,000, on a Saturday there would be 30,000 people. And Aksarben was enviable. It was so enviable that we had Iowa and Kansas and everybody else join in the game. So we can all look back and we can see what has happened, but it really breaks my heart to see so many Nebraska dollars going into Iowa and having it all just, you know, just be going across the river. There's so many benefits that can come with the dollars staying here. When Aksarben did close, I sold the farm and I raised my family and I showed horses at the Lancaster Event Center and (inaudible) the state involved with Aksarben with the Knights of Ak-Sar-Ben. The one question that was asked earlier is is it too late

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for racing now. And I have to say that it's not too late, but we need to start running and we have a group of people here that can run. The Governor just recently appointed me to the Nebraska State Racing Commission, and I'm excited to get back involved with all the great people that I see here in the room and just hope that you all support and keep racing alive in Nebraska. Thank you. [LR345]

SENATOR McDONALD: Thank you, Helen. Any questions? Seeing none, thank you for the testimony. How many other testifiers do we have? Two, am I seeing two? Okay. All right. Thank you. Come forward, please. [LR345]

THOMAS COLPITTS: Good afternoon. My name is Thomas Colpitts, C-o-l-p-i-t-t-s. I'm not here as a horseman. I'm not here as anything, but I am what you would consider a compulsive gambler. I am also a convicted felon in the state of Nebraska because I tried to do some things that were illegal in order to finance my gambling, and my gambling was considered to be the casino. I think it's a very honorable organization, horsemen in general. My uncle raised horses at Aksarben, and he'd raise them in Iowa to race in Nebraska. So I grew up around horse racing. I love it, but when you consider alternate gambling to be part of that honorable tradition, it is just wrong. I put myself in about \$100,000 worth of debt in about a year and a half. I will be married 21 years to my wife next month and she is still with me. I spent a year in the Nebraska correctional facilities. And I think that anybody who...again, it affects all walks of life and slots are the first step. I moved from slots to blackjack to whatever else the Iowa casinos had. I don't want to see an honorable...I don't want to see the horsemen go under because of gambling as far as, you know, the slots or any type of casino gambling is considered. I don't know anything about the Lincoln track, but I think that seems to be the best possible solution to save this industry. I think that anyone who spends their entire life raising is...my hat is off to them because I know it's a very, very challenging industry. But my hope is that with other testimonies that you could see that it's not the right step to bring alternate gaming into a horse facility. I just don't. And so that's all I have and thank you for your time. [LR345]

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SENATOR McDONALD: Thank you, Thomas. Any questions for Thomas? Seeing none, thank you. Did we have one more testifier? Yeah, I'm sorry. If you have questions of us, please talk to us after the hearing. If you have questions for them, meet with them after the hearing. Yes, it appears this is the last testifier. Okay. Thank you. [LR345]

LYLE JAPP: My name is Lyle Japp. I live at 1505 South 97th Street, Omaha, Nebraska. The name is spelled L-y-l-e, last name J-a-p-p. I'm here as someone along with Pat and a number of other people that have been involved in fighting to keep expanded gambling out of the state of Nebraska. I've worked in the jails since 1975, as well as being in business. One of the things we've heard about is the level playing field. I'm sure mostly what they're talking about is within the gambling industry. As I understand it, Nebraska has already unlevelled the field on behalf of horse racing. The first \$10,000 I understand...excuse me, the first \$10 million that is taken in there is no tax. From \$10 to \$73 million there's a 2.5 percent tax. Now, if we called it an entertainment industry, I'm sure there's a lot of other entertainment industries, such as Qwest Center and so forth, that on everything they sell there's a 7.5 percent sales tax here in Omaha. Aksarben, we've heard of lot of the glory days of Aksarben. And I've been in business in Omaha since 1950. There's only so much money to go around, and for the time that the tracks were open, I don't know how many days it was, was it 72 days or what it was, probably changed through the years, but most businesses other than restaurants and perhaps motels were dead during that time, business was really bad. So those dollars go one place or they go another. I'd also like to point out if you haven't been there go to the Aksarben grounds where it was, look at the number of businesses that are there. Looking at it from an economic standpoint, the amount of tax revenue that comes in from the businesses that are there from the employees. The Kiewit Institute is recognized all over the United States as one of the greatest educational institutions around, something that we all can be proud of. Iowa before they got into casinos, their survey 1.7 percent of the people of the adult population of Iowa had a gambling problem, problem gamblers. In 1995, they did a study, the industry did, in 1995 5.4

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percent of the adult population had a gambling problem. Now, there's been a lot of casinos that opened from 1996, just like across the river, Prairie Meadows, etcetera, in the state. They haven't taken anymore surveys. I don't know what it would be today. I would guess it would be considerably higher. Then if you consider that half the people probably don't go to a casino at all, then you take that 5.4--even using that--you're talking about over 10 percent of the people that frequent casinos will eventually end up being a problem gambler. And that problem gambler supports it as we've heard from another person by stealing, embezzling, what have you, to support that habit. One of the persons I know was an attorney who had a gambling problem, and today he helped operate gamblers anonymous groups, notice it says "anonymous." There's a lot of problem gamblers. There's a lot of families that are hurting as a result of it, but they don't come forward. It's anonymous. This attorney says, I know over 200 people personally. So there's nobody standing up that is hurt, and we only had a couple here to share. There was supposed to be someone here from the Open Door Mission would give you some statistics that their population increased by over 30 percent as a result of the gambling. So the point that I make today is that I'm not opposed to the horse racing, but I'm opposed to it being supported by expanded gambling, that the people that are hurt are far more than people begin to realize. Another thing that we have today and the economic crisis that we have over the United States, what do we see? It's money at the base. We've got people in our Congress in our government the only thing they care about is not what's good for the nation, what's good for the people is that they stay in office and they take, literally, bribes from businesses, rather than they're supposed to be regulating. And we're seeing the result of it. And I think one of the things that our state Legislature, our Congress needs to do when they consider anything is if for a small group of people or is it something that is good for the nation as a whole? I think you for the privilege of being here today. [LR345]

SENATOR McDONALD: (See also Exhibit 7) Thank you, Lyle. Any questions for Lyle? Seeing none. I do have to note that I have received 15 letters from individuals who expressed concern with expanded gambling, and they are opposed to expanded

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gambling. They've asked that we put their letters into the official record of this hearing which we will do. Appreciate your time, appreciate your coming, lots of good information. I thank you and this will close the hearing for LR345. Thank you. [LR345]